

# QUARTERLY MARKET INSIGHTS

Quarter 1, 2026

RHB

Source: Bloomberg, RHBAM, December 2025

Note: The opinions expressed are as of date and are subject to change at any time due to changes in market or economic conditions. Any performance information shown refers to the past and should not be seen as an indication of future returns. This is not intended to be relied upon as a forecast, research or investment advice and is not a recommendation, offer or solicitation to buy or sell any investments or to adopt any investment strategy.

## Global Equity Market Review and Outlook

Global equities continued their momentum in the fourth quarter (“4Q”) of 2025, building on the resilience seen earlier in the year. The Morgan Stanley Capital International (“MSCI”) All Country World Index advanced 3.36% over the quarter to date, with strong contributions from Asia. United States (“US”) equities gained 2.61%, while the markets of Korea (+26.78%), Taiwan (+10.47%), Malaysia (+8.11%), Indonesia (+5.32%) and Thailand (5.08%) all gained in 4Q 2025. Most notably, China (-7.34%) underperformed for the quarter.

Due to the 43-day government shutdown in the US, the release of statistics and economic indicators have been delayed and most of the information can be considered as outdated. The Bureau of Economic Analysis, real gross domestic product (“GDP”) increased at an annual rate of 4.3% in the third quarter of 2025 (July, August, and September), improving upon the 3.8% recorded in second quarter and the 0.5% contraction in first quarter and ahead of the estimated 3.3%. The increase in real GDP reflects an increase in consumer spending, exports and government expenditure that was partly offset by decreases in investments.

Consumer spending accelerated to 3.5%, the strongest pace this year compared to 2.5% in second quarter, driven by broad-based gains in both goods (3.1% vs. 2.2%) and services (3.7% vs. 2.6%). Key contributors included health care, international travel, information processing equipment, and prescription drugs. Fixed investment continued to grow, albeit at a slower rate (1.0% vs. 4.4%), supported by solid increases in equipment (5.4% vs. 8.5%) and intellectual property products (5.4% vs. 15.0%). However, investment in structures (-6.3% vs. -7.5%) and residential construction (-5.1% vs. -5.1%) remained in decline. External trade provided a notable lift, with exports rebounding sharply (8.8% vs. -1.8%) on strong demand for capital and nondurable goods, while imports fell further (-4.7% vs. -29.3%), improving the overall trade balance.

By contrast, the US labor market continued showed clear signs of cooling. The unemployment rate in November 2025 edged up to 4.6%, up from the 4.4% of September 2025, and marking the highest levels since September 2021. Employers added 64,000 jobs in November 2025, more than estimates, and comes after the drop of 105,000 jobs in October 2025, driven by a loss of 162,000 federal government roles stemming from the Trump administration's push to cut government jobs earlier this year. Health care added 46,000 jobs, 11,000 of which were in nursing and residential care facilities. Employment in construction rose by 28,000 jobs, but the transportation and warehousing sector fell by 18,000 and manufacturing fell by 5,000 jobs. Long term employment, for people who without jobs for six months, also recorded an uptick, where November 2025's report revealed a figure of 1.9 million, up from the 1.8 million in September 2025 and 1.7 million in November 2024.

RHB

RHB Asset Management Sdn Bhd 198801007231 (174588-X)

On the inflation front, US inflation has dropped to the slowest pace since 2021, as prices rose 2.7% Year-on-Year (“YoY”) in November 2025, below estimates of a 3.1% and down from the 3.0% in September 2025. Core inflation has also dropped to 2.6%, well below estimates. US business activity growth has also moderated in December 2025, as Standard & Poor’s (“S&P”) Global’s Flash US Composite Purchasing Managers Index (“PMI”) declined to 53.0, down from 54.2 in November 2025, and marked the lowest reading in six months, which added concerns that the recent economic spurt is losing momentum. The S&P Global US Flash Manufacturing PMI slipped to 51.8 in December 2025, marking a five-month low and down from 52.2 in November 2025, slightly under consensus expectations of 52.0. The latest reading signals a softer improvement in manufacturing conditions, as production growth eased to its weakest level in three months and new orders declined for the first time since December 2024. Additionally, input inventories expanded at a slower pace, suggesting a cautious outlook among manufacturers heading into the new year.

The final meeting for the Federal Reserve (“Fed”) delivered a further 25 basis points (“bps”) cut to interests rates, as expected, to the 3.50%–3.75% range. Notably, however, three policymakers dissented for the first time in six years, with two favoring no changes and one preferring a 50bps cut. The meeting minutes noted that “Most participants judged that further downward adjustments to the target range for the federal funds rate would likely be appropriate if inflation declined over time as expected”, but also suggests that Fed members are at odds with how aggressive the Federal Open Market Committee (“FOMC”) should be in the near future. Fed Chair Powell’s statement also reflected a level of ambiguity. On one hand, he emphasized the need to remain data dependent, but also did note on significant downside concerns on the labour market. Powell’s concerns on the labour market were supported by latest released data. With this backdrop in mind, markets slightly increased the odds of a Federal Reserve rate cut in April 2026.

Tariffs, the core tenet of US President Donald Trump’s election promises and dominant policy directive have eased. US-China relations have also de-escalated significantly in Q4 2025, culminating in a significant trade agreement between both countries at the Asia-Pacific Economic Cooperation (“APEC”) summit in October 2025. This has paused the ongoing tariff war, as the US agreed to suspend implementation of the new Bureau of Industry and Security (“BIS”) “Affiliates Rule” for one year until November 9, 2026. This rule had expanded export control restrictions to entities owned 50% or more by listed parties, while China has suspend its export control measures on rare earth materials for one year. The US will also halve the 20% fentanyl related tariffs and to extend Section 301 tariff exclusions until November 2026, while China will suspend earlier retaliatory tariffs on American agricultural and food exports.

Europe enjoyed a productive Q4 2025. Estimates for annual growth in GDP for 2025 has risen to 1.4% in 2025, 1.2% in 2026 and 1.7% for both 2027 and 2028, while headline inflation is estimated to fall below the 2.0% target in 2026.

Four of Europe’s Central Banks announced their monetary policies and macroeconomic outlooks for 2026 in December 2025. As expected, the European Central Bank (“ECB”) kept its interest rates steady, though investors are also keeping an eye on the tensions inside the governing council. ECB President Lagarde said that policy remains “in a good place”, but left the doors open for a change due to an uncertain global outlook. Norges Bank left its rates on hold at 4%, and markets are not expecting a rate cut until Summer 2026, while the Bank of England (“BoE”) slightly reduced its interest rate by 25bps, bringing the base rate down to 3.75%. This comes after inflation fell to 3.2% in November 2025 and disappointing economic indicators.

The Bank of Japan (“BoJ”) agreed to raise its benchmark interest rate by 25bps to 0.75% in December 2025, the highest level since 1995, citing the increasing likelihood of the central bank’s economic outlook being realized. Markets have already priced in this rate increase during the lead up to the monetary policy meeting held on 18 and 19 December 2025. Following the rate increases, the yen has weakened sharply. BoJ governor Ueda has signaled that the central bank is ready to implement further hikes in 2026 and that if its baseline scenario is realized, policy rates will continue to rise. The election of new Prime Minister Sanae Takaichi also suggests that a change in the nation’s fiscal policy. Takaichi is an advocate of loose fiscal and monetary policy and she has already filled the top economic panel in the government with proponents of aggressive monetary and fiscal stimulus.

There are increasing signs that the Chinese economy is showing signs of struggle. Retail sales rose 1.3% in November 2025, which is the slowest pace since the Covid-19 pandemic. Fixed asset investments fell 2.6% for the first 11 months of the year, and industrial output also trailed forecasts. The latest retail sales data showed that consumption remains an issue in the Chinese economy despite efforts by the government to stimulate demand. To address this, according to a read out following the annual Central Economic Work Conference, a meeting where government officials lay out the economic agenda for the next year, China will “flexible and efficiently” use interest rate and reserve requirement ratio (“RRR”) cuts to ensure liquidity and to maintain a “reasonable level” of budget deficit and spending in 2026, which suggests that Beijing will stick with its current growth strategy as we move to the new year.

On the geopolitical front, US President Donald Trump intensified diplomatic efforts by engaging directly with both Ukrainian President Volodymyr Zelenskyy and Russian President Vladimir Putin to advance ceasefire negotiations. In

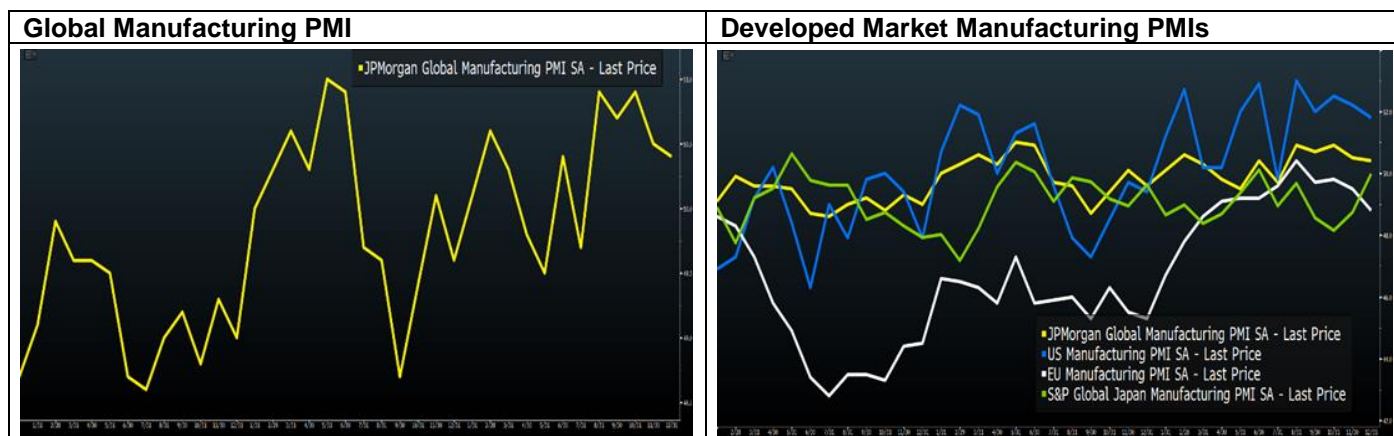


talks held at Mar-a-Lago and supplemented by an extended call with Putin earlier the same day, Trump described progress as “getting a lot closer, maybe very close” to a comprehensive agreement. The discussions focused sharply on two critical sticking points: robust security guarantees for Ukraine, and the disposition of the contested Donbas region. Zelenskiy reported that a 20-point peace framework was approximately 90% agreed and that US–Ukraine security assurances had been finalized—with Trump estimating them to be nearly 95% complete.

Looking ahead to the first quarter of 2026 (“1Q2026”), we expect volatility in the markets as only a few key thematic forces are currently driving equity markets. Although valuations remains elevated in the US and the artificial intelligence (“AI”)/Technology sectors, continued robust AI capex will support equity resilience. The US will likely avoid a recession in the first half of 2026 and the 3 rate cuts in 2025 and potentially a further 2 rate cuts in 2026 will be supportive of the markets. However, key risks remain due to persistent inflation, cooling labour markets, trade tensions and geopolitical uncertainties. We remain cautiously optimistic, favouring quality exposures to key thematic themes and secular growth drivers, while continue to be watchful of heightened volatility.

## Economic Highlights

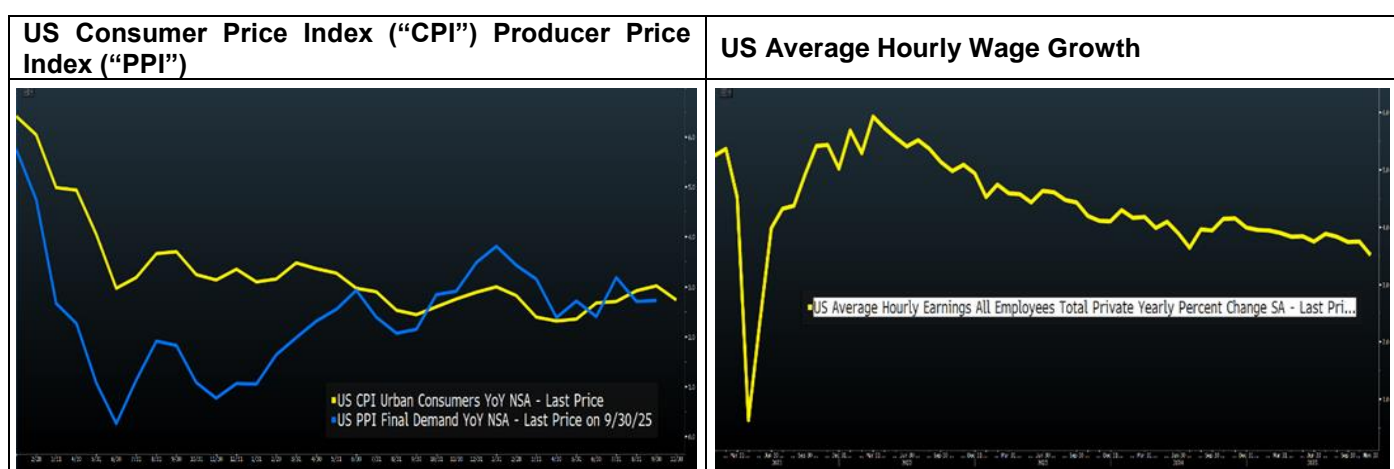
### Global Purchasing Managers Index (“PMI”)



Source: Bloomberg, RHBAM, 31 December 2025

- Global Manufacturing PMI improved to 50.4 in December 2025 from 49.7 in July 2025.
- The US Standard & Poor's (“S&P”) manufacturing PMI improve to 51.8 in December 2025 from 49.8 in July 2025. Japan manufacturing PMI improved to 50.0 in December 2025 from 49.7 in July 2025. The European Union (“EU”) manufacturing PMI dropped to 48.8 in December 2025 , from 49.6 in July 2025.

### United States (“US”)

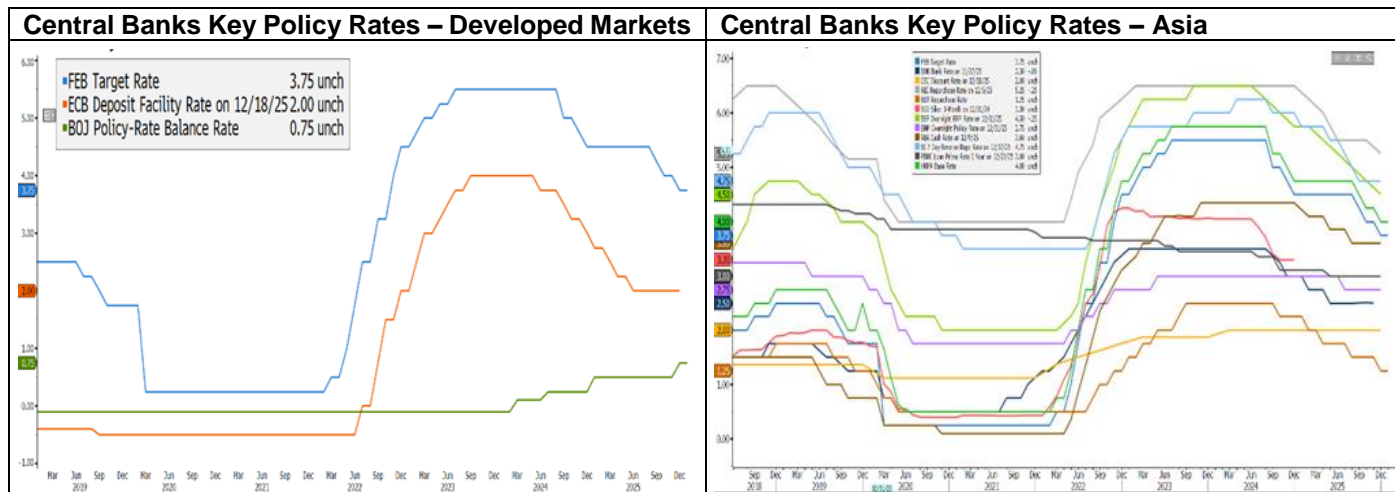


Source: Bloomberg, RHBAM, 31 December 2025

- US inflation rose by 2.7% in November 2025, but still lower than an average of 3.0% in 2024.
- Unemployment rate edged up to 4.3% in September 2025 vs 4.1% in December 2024 while it averaged at 4.0% in 2024 and US hourly wage growth remained resilient at 3.5% in November 2025.



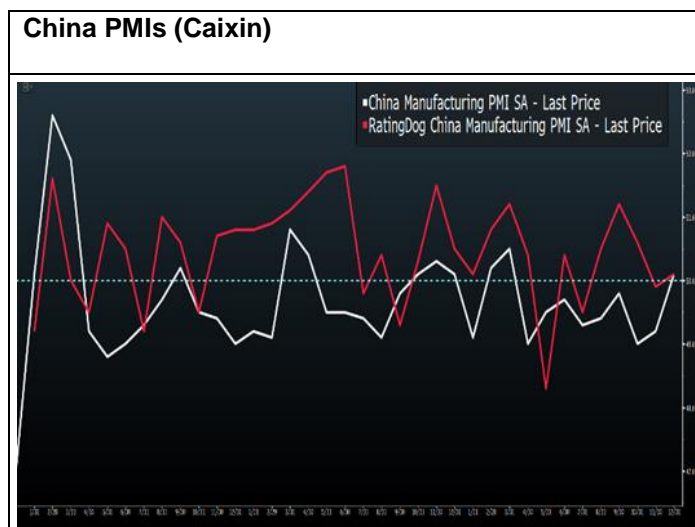
Global



Source: Bloomberg, RHBAM, 31 December 2025

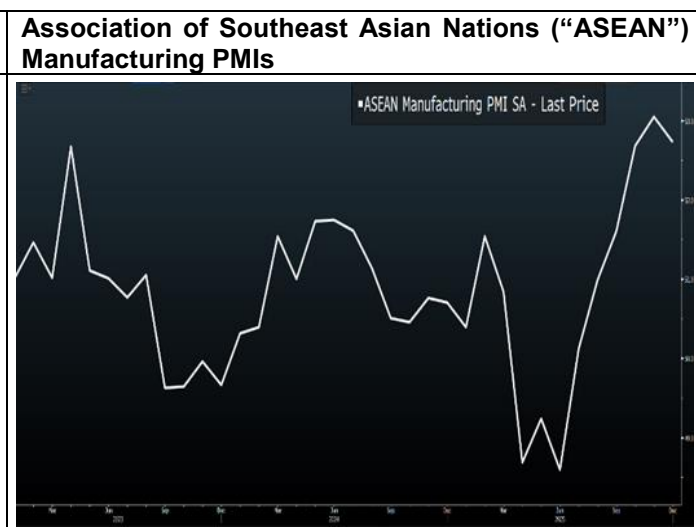
- Fed cut the federal funds rate 3 times in 2025 to 3.75% by December 2025. The consensus expects an additional 50 basis points (“bps”) cut in 2026 and 25bps cut in 2027 to a terminal rate of around 3.00% by early 2028.
- In line with the US Fed rate cuts, the Asian Central Banks have also started to cut rate aggressively in 2025.

China



Source: Bloomberg, RHBAM, 31 December 2025

ASEAN



- The Caixin PMI improved to 50.1 in December 2025, from 49.5 in July 2025 and official manufacturing PMI edged up to 50.1 in December 2025, from 49.3 in July 2025.
- ASEAN’s manufacturing PMI improved of 52.7 in December 2025 from 50.1 in July 2025.



## China/Hong Kong

Chinese equity market pulled back in the last quarter of 2025, as trade tensions with the US managed to subside at the end of October, with the two sides agreeing to a one-year truce on tariffs, export controls, and port fees, and further discussions over fentanyl and agriculture purchases, among others. The US effective tariff rate on China will fall by 10% from 42% to 32%. Secondly, despite better-than-expected third quarter (“3Q”) 2025 macro prints, a lack of policy priority given to consumption and a clear priority given to advanced manufacturing by the 4th plenum disappointed the markets.

Renewed US equity market volatility, owing to rapid swings in Federal Reserve rate cut expectations and a lack of official macro data, rising tensions between China and Japan, triggered a global risk-off. This was further compounded by 3Q 2025 earnings as index heavyweights in internet and New Energy Vehicle (“NEV”) issued cautious 4Q 2025 guidance owing to soft domestic consumption recovery. Finally, the Pentagon's proposal on 26 November 2025 to add Alibaba, Baidu, and BYD to the US China military company list did not help.

November 2025 data pointed to marked demand weakness. Industrial production growth, retail sales growth plummeted 1.3% YoY and fixed asset investment remained deeply negative.

The latest Politburo meeting reintroduced the “counter-cyclical” policy adjustment in early December. The Chinese government explicitly committed to reverse the investment downturn, stabilize property markets and called for efforts to accelerate the clearance of overdue payments to corporates. Efforts should be front-loaded to ensure that policy implementation will be aligned with a new Five-Year-Plan. We expect fiscal policy to remain proactive and monetary policy will stay moderately accommodative.

For Hong Kong, residential property saw the secondary home price index rising by 1.5% month on month in November 2025 with improving transactions since April 2025.

Looking ahead, investors will closely watch the National People's Congress in March 2026 which will have China's new Five-Year-Plan and details on economic targets will be announced. While fundamentals remain fragile, the combination of liquidity, sentiment, and incremental policy support suggests that the rally could extend. Accelerated AI infrastructure demand following DeepSeek is also expected to lower training and inference costs and boost adoption of AI in the wider technology sector. Nonetheless, we still favour the themes of China's consumption recovery and long term strategic goals of self-sufficiency in technology, energy and food supply.

## ASEAN

The MSCI ASEAN Index rose by 1.7% in United States Dollar (“USD”) terms in 4Q 2025, lifted by a rebound in most ASEAN markets, while Singapore saw profit taking during the period. Malaysia (+6.9%) led the outperformance, followed by Indonesia (+5.0%), Thailand (+4.8%) and Philippines (1.3%), while Singapore (-1.5%) pulled back.

Singapore delivered a robust 3Q 2025 GDP print of 4.2%, while the Ministry of Trade and Industry raised its 2025 GDP growth forecast up to ~4%. October 2025 manufacturing output jumped 29.1%, buoyed by broad-based expansions across pharmaceuticals, electronics, and precision engineering, amid strong AI capex demand. Singapore equity market stood resilient, underpinned by the Singapore Government’s very own “Value-up” program - Equity Market Development Programme (“EQDP”) which lifted both investor sentiments and market liquidity. Monetary Authority of Singapore (“MAS”) announced the awarding of the second tranche of EQDP funds (Singapore Dollar (“SGD”) ~2.85 billion), which should sustain positive momentum for Singapore equities.

Indonesia’s President Prabowo Subianto announced a Cabinet reshuffle on 8 September 2025, which saw new appointments across several ministries. Amongst the notable changes, finance minister Dr Sri Mulyani was replaced by economist Purbaya Yudhi Sadewa, while Erick Thohir relinquished his position as Minister of State-Owned Enterprises. Subsequently, the Indonesian government announced an Indonesian Rupiah (“IDR”) 30 trillion (USD1.8 billion) cash handout stimulus which would be disbursed to approximately 35 million households from 20 October 2025. This household cash handout comes on top of earlier Free Meal Program and Village Cooperatives stimulus, which is intended to ignite a recovery in domestic consumption. Surprisingly, Bank Indonesia held policy rates unchanged at 4.75% during its December 2025 policy meeting, citing its near-term focus on maintaining rupiah stability.

Thailand’s Prime Minister Anutin Charnvirakul announced the decision to dissolve Parliament on 11 December 2025, which received the endorsement from Thailand’s King Maha Vajiralongkorn, signaling that early elections will be held within 45 to 60 days of the announcement. On the macro front, GDP growth trended downwards on the back of tariff uncertainties, deteriorating consumption, tourism arrivals and private investment trends. On-going Thailand-Cambodia conflicts and flooding in Southern Thailand added to Thailand’s economic woes. The Bank of Thailand unanimously lowered its policy rate by 25bps to 1.25% on 11 December 2025, while revising down 2026 GDP growth and inflation projections.

The Philippines economy continues to be dragged by sluggish GDP growth, Philippine Peso (“PHP”) depreciation and ongoing corruption investigations. Corruption investigations resulted in a meaningful slowdown in government spending, which also indirectly impacted private consumption. As expected, Bangko Sentral ng Pilipinas (“BSP”) lowered its benchmark Target Reverse Repurchase (“RRP”) rate by 25 bps to 4.5% on 11 December 2025 to address the country’s subdued growth. This was fifth rate cut for 2025, which saw policy rates lowered by a cumulative 200bp from a peak of 6.5% in August 2024. BSP revised down its 2026 GDP growth forecast to 5.3% from a 6-7% target range but expects inflation to remain benign.

Coming out of tariff uncertainties in 2025, ASEAN is expected to deliver stable growth in 2026 on the back of further monetary easing and recovery in domestic demand. Further Fed rate cuts, softer US dollar and improving Foreign Direct Investment (“FDI”) into ASEAN should bode well for the region. In the medium term, rising AI capex should drive datacenter investments and energy demand with the region, while ASEAN continues to build on the China plus one theme. The region retains strong structural advantages in its young demographics, rising middle class, and government commitments to infrastructure upgrades and green development.

## Malaysia Equity Market Review and Outlook

Malaysia's economy is expected to grow between 4.0% and 4.8% in 2025 and between 4.0% and 4.5% in 2026, supported by robust domestic demand, a stable labour market, recovering tourism, infrastructure investment, and a more resilient export environment. The expectations of US economy to avoid recession in 2026 and Fed to cut rate further are positive for the market.

The trade truce between US and China may help reduce the uncertainty and would help to reduce market volatility. However, the latest economic data suggested China's growth is likely to decelerate further to below 4.5% in the fourth quarter might affect the sentiment of the market temporarily.

3Q 2025 corporate earnings has shown some improvement, which is positive for the market. Better 3Q 2025 earnings have led to slight upgrade for 2025 earnings to 3.0% and 7.32% for 2026 from 1.7% and 6.8%, respectively. Market earnings set to grow between 7.0-7.5% in 2026 and Malaysia offering one of Asia's good dividend yields, declining rates and easing US-China trade tensions could boost sentiment on Asia and Malaysia equities. We maintain that any pullback in the Index, offers a buying opportunity for 2026 performance.

We believe that the government to continue with its favorable and a progressive policy backdrop and will lead to sustain domestic demand and corporate earnings growth in 2026. Looking into 2026, the market is expecting decent earnings growth of around 7%-7.5%, which would translate, into higher index level. We believe the downside to the index is limited due to strong domestic liquidity as well as foreign holdings were at historical low.

Expectations of Fed to cut more rates and that they will end quantitative tightening would be positive for Malaysian Ringgit ("MYR"). Hence, this would encourage foreign flows to come back to Asia and Malaysia. Bigger cap stocks expected to benefit if foreign institutions inflows start to come back aggressively.

We focus on three themes in 2026.

**Strong domestic consumption** - Household spending was higher amid positive labour market conditions and income-related policy measures, including the upward revision of minimum wage and civil servant salaries. Malaysia's healthy macroeconomic outlook would drive real-term growth in household incomes. Expectations of higher tourism-related activities alongside major national and international events, including Visit Malaysia 2026 will help to boost consumer spending in 2026.

**Implementation of infrastructure projects** - The construction sector is expected to remain firm in 2026, with growth projected at 6.1%, supported by broad-based expansion across all subsectors and strategic investments under national policy frameworks. Data Centers & Digital Infrastructure is expected to boost investment in high-value infrastructure, especially within the data center and digital infrastructure ecosystem, which is rapidly becoming one of the country's most important growth drivers.

**Strong liquidity** - Asia currency may benefit from weakening USD. Focus on sectors, which may benefit from strengthening MYR and prospects in real estate investment trusts ("REITs") and high-yield plays amid falling rates. We expect a sustained rally due to liquidity and support value-unlocking opportunities.

However, there are some concerns which include the implementation of expanded Sales and Service Tax ("SST") regime that may results in consumers shifting their spending towards essential goods and services, potentially affecting sectors dependent on discretionary spending.

The semiconductor goods are still pending the outcome of the Section 232 sectorial tariff investigation, which is likely to be imposed separately from country specific tariff rates. The potential US levies on semiconductor imports would be negative as the US is Malaysia's third-largest export market for chips.

Heightened global trade tensions and subdued external demand pose risks to Malaysia's export-oriented economy and, China might flood the world with cheap products as its new destinations that might lead to deflationary environment globally. Hence, corporate earnings would suffer.



## Global Fixed Income Market Review and Outlook

### US Treasuries (“UST”) and G10 Bonds

US Treasuries delivered positive returns of ~6.1% year to date as investors increasingly priced in a sustained easing cycle by the Federal Reserve. Softer inflation prints, alongside moderating labour market momentum, reinforced expectations that policy rates have peaked. Treasury yields declined across the curve, led by the front end, as the Fed signalled a gradual but data-dependent path of rate cuts. Yield curves began to steepen modestly, driven by falling short-dated yields, while longer-dated yields remained anchored by fiscal supply concerns and resilient growth expectations. Despite this, absolute yields stayed attractive relative to pre-2022 levels, continuing to draw demand from global investors seeking income and duration exposure.

Across other G10 markets, bond performance was broadly constructive, though regional divergence persisted. Eurozone government bonds benefitted from improving inflation dynamics and early signs of economic stabilisation, allowing the European Central Bank (“ECB”) to adopt a more accommodative stance. Core yields declined, while peripheral spreads remain contained, supported by improving fiscal discipline and lower volatility. In the United Kingdom (“UK”), Gilts rallied as disinflation progressed and growth remained subdued, reinforcing expectations of further Bank of England (“BoE”) easing. Japan remained an outlier, with Japanese government bond yields edging higher as the Bank of Japan (“BoJ”) continued its cautious policy normalisation. Overall, G10 bond markets saw lower volatility and renewed investor confidence, with duration contributing positively to portfolio returns.

In terms of monetary policy actions, the Federal Reserve cut its policy rate by 25 basis points during the December 2025 FOMC meeting, the last meeting for the year and the 3rd cut in 2025, bringing the Fed Fund Target Range to 3.50%-3.75%. This was widely priced in by markets and reflected continuing concerns about a cooling labor market, persistent inflation above target, and economic data uncertainty amid a recent government shutdown. The decision to cut 25bps saw 9 in favor with 3 dissenters, with two regional Fed presidents (Schmidt and Goolsbee) voting to keep rates unchanged, while Governor Miran supported a larger 50bps cut. The revised median ‘dot plot’ points to one cut in 2026 and one in 2027. While policymakers projected only one more cut in 2026, markets are pricing in 2 or more additional cuts for next year 2026. The Fed also resumed technical purchases of short-term treasury bills to support money market liquidity following its end of quantitative tightening.

The US Treasury (“UST”) curve continued to steepen in the fourth quarter 2025 on a more dovish Fed; The benchmark 2-year, 5-year, 10-year, 20-year and 30-year UST last traded as of 22 December 2025 at 3.51% (September 2025: 3.62%; -11bps), 3.71% (3.73%; -2bps), 4.16% (4.14%; +2bps), 4.79% (4.69%; +10bps) and 4.84% (4.71%; +13bps) respectively.

### Outlook and Strategy

The environment for global bonds remain supportive as monetary policy transitions from restrictive to accommodative across most developed markets. While the pace of easing is expected to be gradual, the direction continues to point lower, reinforcing the case for fixed income as both an income (carry) generator and a portfolio stabiliser.

Following the cumulative 150bps of rate cuts since 2024, and current “dovish-leaning” Fed committee, we expect 1 to 2 more rate cuts in 2026, though this is still likely to be data-dependent. We maintain a neutral to modestly long duration stance, favouring the intermediate part of the curve where the carry and roll-down remains attractive. While fiscal risks and potential bond supply may limit long-end rallies, duration should continue to provide diversification benefits in the event of growth slowdowns or risk-off episodes.



## Malaysia Fixed Income Market Review and Outlook

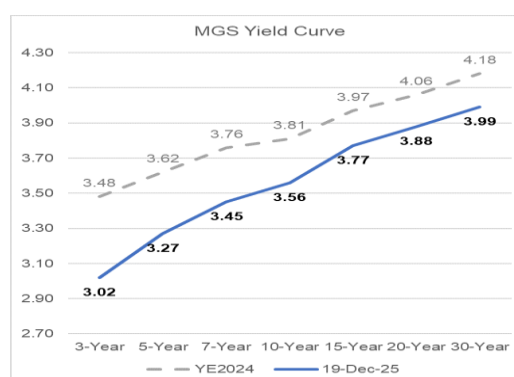
### Ringgit Sovereign Bond

2025 was a strong year for Malaysia fixed income market, with the Financial Times Stock Exchange (“FTSE”) Bond Pricing Agency Malaysia (“BPAM”) Government Bond Index on track to deliver return in excess of 5% (Year-To-Date (“YTD”) return as of 19 December 2025 is 5.39%). The strong performance was primarily driven by decline in government bond yields (lower yield result in higher bond price) following Bank Negara Malaysia’s (“BNM”) decision to cut the Overnight Policy Rate (“OPR”) by 25 basis points to 2.75% in July 2025. In parallel, BNM also lowered the Statutory Reserve Requirement (“SRR”), providing additional liquidity to the banking system amid heightened external uncertainties stemming from higher US tariffs announced during President Trump’s “Liberation Day”, which affected all US trading partners – including Malaysia.

The positive bond market sentiment, however, softened in late 3Q 2025 as domestic macroeconomic data surprised to the upside despite the challenging external risk environment. To recap, Malaysia’s 3Q GDP reading accelerated to 5.2% year-on-year (“YoY”), exceeding BNM’s official forecast range of 4.0-4.8%. Consequently, expectations for a second OPR cut dissipated, prompting fixed income investors to take profit. Corporate issuance also rose materially, with total bond supply reaching a record level of circa MYR150 billion for the year, contributing to tighter liquidity conditions in the secondary market. Meanwhile, foreign flows had been volatile, with net flows oscillating between net inflows and outflows amid shifting global bond market dynamics and a strengthening MYR. The MYR had been the best performing Asian currency this year, rising by 9.64% on a YTD basis as of 19 December 2025.

In terms of the yield curve movement, the MYR bond yield curve bull-steepened (i.e. short-end rally more than the long-end) as the OPR and SRR cuts directly contributed to the rally of the short end of the curve, while longer end lagged the rally. This is as the long-end is typically anchored by institutional investors (e.g. pension funds) which would take a more cautious approach in assessing the return profile against Malaysia’s long term economic prospects. A snapshot of the change in the MGS yield curve is as follow.

Benchmark	MGS yield (%)		
	YE2024	19 Dec 25	Change
3-Year	3.48	3.02	-46 bps
5-Year	3.62	3.27	-35 bps
7-Year	3.76	3.45	-31 bps
10-Year	3.81	3.56	-25 bps
15-Year	3.97	3.77	-20 bps
20-Year	4.06	3.88	-18 bps
30-Year	4.18	3.99	-19 bps



Source: FAST BNM and Bond Pricing Agency Malaysia. Data as of 19 December 2025.

### Ringgit Corporate Bond

The corporate bond market had a similarly strong year in 2025, with the FTSE BPAM Corporate Bond Index delivering return in excess of 5% as well as the market also benefitted from the lower OPR environment. Nevertheless, the performance of corporate bonds in general lagged the overall market with the Corporate Bond index YTD return as of 19 December 2025 only at 5.21% as compared to the 5.39%. The underperformance was mainly driven by higher corporate bond issuances, with record high of circa MYR 150 billion issued this year resulting in corporate bond spreads to rise from the historically low levels recorded last year.

Credit conditions in the local bond market was positive is positive in 2025 as improvements in macroeconomic conditions contributed to better corporate earnings and balance sheet. Our record shows that there were 17 rating upgrades this year by both credit rating agencies (Rating Agency Malaysia (“RAM”) and Malaysian Rating Corporation Berhad (“MARC”) while there was no rating downgrade this year. Notable upgrades were Perbadanan Kemajuan Negeri Selangor (“PKNS”) and Malayan Cement as RAM incorporates a new methodology which considers higher likelihood of parental support for entities belonging to a larger group. Other notable upgrades include Alliance Bank and MBSB Bank which saw better asset quality, and; Maju Expressway (“MEX”) I Capital and Segi Astana which both saw better operating performances due to improved traffic and higher occupancy rates, respectively.



## Outlook and Strategy

Looking ahead into 2026, we expect the Malaysian fixed income market to continue to delivering steady returns, albeit at a more moderate pace, given the lower starting level of interest rates. Our constructive view is underpinned by several factors including: (1) A supportive domestic macroeconomic backdrop with inflation pressures largely contained, (2) the Government's continued commitment to fiscal consolidation and (3) BNM expected to maintain OPR at 2.75%.

From a macroeconomic perspective, Malaysia's growth outlook remains healthy. GDP growth is expected to be supported by resilient electrical and electronics ("E&E") exports and the pipelines of tech capital expenditures ("capex") (e.g. data centres) are expected to remain strong, supported by the global tech upcycle. Ancillary sectors such as construction, utilities, mining are also expected to benefit from the positive spillover from these tech spending. Meanwhile, government policies such as increase in civil servants' salary and handouts such as rahmah are expected to keep consumer spending and confidence to remain strong.

Despite the robust growth, inflation risk is expected to remain contained. This is as major subsidy rationalisation measures, such as the removal of diesel subsidies and the expansion of Sales and Services Tax ("SST") have already been implemented and inflation is still benign. We expect 2026 will only see minor adjustments in government policies instead of anymore large scale subsidies removal, especially as the current government is reaching the second half of its term. Notably, the reduction of the RON95 petrol price to MYR1.99 per litre is expected to lower inflation by approximately -0.2% and should anchor consumers' inflation expectations.

On the fiscal front, the Government has made meaningful progress in consolidation, with the fiscal deficit narrowing sharply to 3.8% of GDP in 2025 from 4.6% in the previous year. Budget 2026 signals a further reduction in the deficit to 3.5%, underscoring the authorities' discipline and commitment to strengthening public finances. This ongoing consolidation is expected to be supportive of the local fixed income market, as net government issuance is projected to decline further to MYR 77billion in 2026, compared with MYR87 billion in 2025. That said, some market volatility may emerge in the first half of 2026, as the Government's auction calendar suggests front-loading of issuance to manage larger maturities scheduled for the second half of the year.

Based on the backdrop of healthy growth and low inflation, we expect BNM to maintain a stable OPR throughout 2026. In our view, the current slightly accommodative policy stance is appropriate for managing rising global geopolitical risks, while subdued inflation reduces the urgency for any rate hikes. The ringgit's emergence as one of the stronger-performing currencies in Asia further supports BNM's confidence that current monetary policy settings are conducive to sustainable growth and price stability.

Fixed income assets are expected to benefit from this environment of healthy macroeconomic backdrop and stable OPR, allowing investors to enjoy steady returns by locking into higher yields for their respective portfolios. In terms of positioning, we are generally overweight in duration guided by our view of a stable interest environment and as the Ringgit yield curve is reasonably steep – providing decent carry and rolldown for the portfolios. Meanwhile, our asset allocation strategy continues to be overweight bonds vs. cash, with a preference for high quality corporate and government bonds.

In summary, we are positive on Malaysian fixed income market and advocate portfolios to stay invested, with increased allocation whenever any exacerbated selling occurs.



## Commodity Market Review and Outlook

### Oil (Brent)



Source: Bloomberg, RHBAM, 22 December 2025.

Crude Oil (Brent) trended gradually downwards for 4Q 2025 as growing crude oil production outweighed the effects of ongoing Russia and Venezuela sanctions coupled with recovering demand. During the period, global oil inventories continued building up to reach 4-year highs, with a notable portion of oil inventory builds coming from strategic stockpiles. The US Energy Information Administration (“EIA”) expects global oil inventories to continue to rise through 2026, putting downward pressure on oil prices in near term. Stabilization of oil prices hinges on Organization of the Petroleum Exporting Countries Plus (“OPEC+”) production policy and China’s continued inventory builds, which will set the pace of price declines. We expect global oil supply to outpace demand growth in the coming months, coupled with higher stockpiles, which should pressure oil prices to trend lower going into first quarter (1Q) 2026.

### Gold

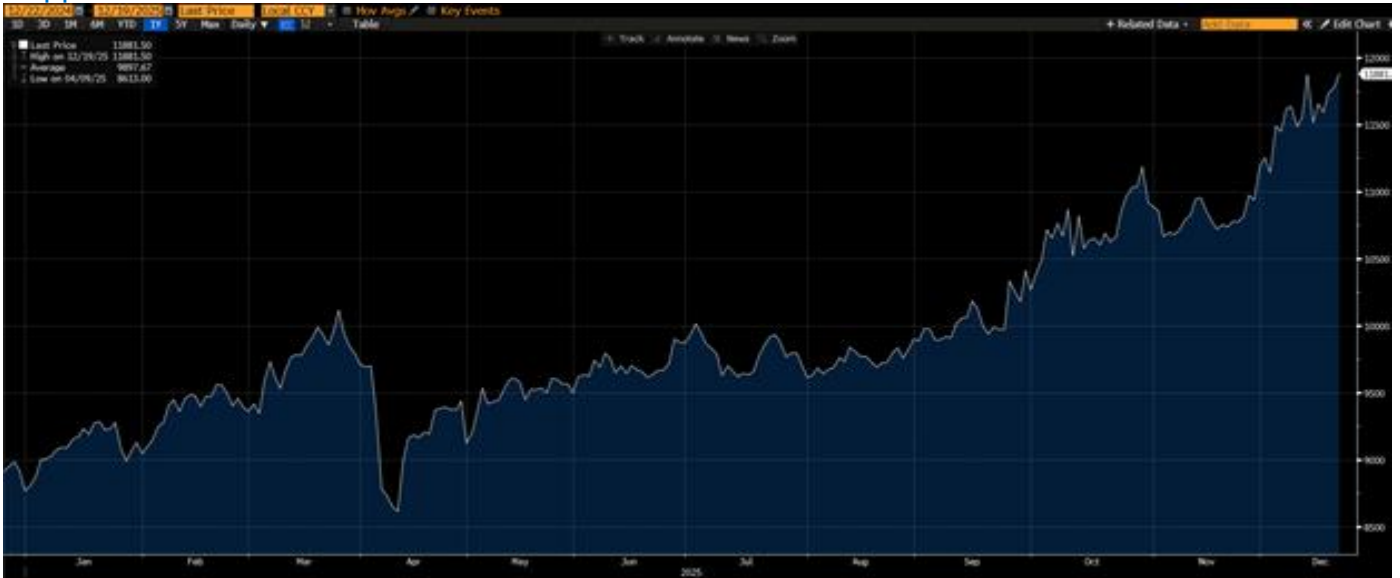


Source: Bloomberg, RHBAM, 22 December 2025.

Gold prices soared 12% to 4,350 in early October 2025 on renewed US-China conflicts, lengthy US government shutdown and US stagflation fears, as investors rushed into gold as a safe-haven. Gold price retraced briefly back to 4,000 after an amicable Trump-Xi meeting during the APEC summit in South Korea, but climbed steadily towards 4,400 as concerns over US economy persisted. Beyond the expectations of 2 more Fed cuts in 2026 and concerns on US economy, continued central bank purchases and Exchange-Traded Fund (“ETF”) flows into gold remains pivotal to sustaining gold prices elevated above 4,200. We expect gold prices to hover around 4,200 levels for 1Q 2026.



## Copper



Source: Bloomberg, RHBAM, 22 December 2025.

Copper prices jumped 16% in 4Q 2025 to reach fresh record highs of ~USD 11,800/ton, as copper supply fell meaningfully due to a series of significant supply disruptions experienced throughout 2025. On the other hand, copper demand remained healthy, underpinned by robust structural energy transition and AI demand. Resumption of supply disruptions would take time, thus tighter refined markets would likely be the backdrop for 2026. Global refined deficit of ~1% is expected to persist for at least first half (“1H”) 2026. With relatively stable demand growth from power utility expansions and data center demand, copper prices should be well supported above USD 11,000/ton.

## Key Takeaways

Source: Bloomberg, RHBAM, December 2025.

Note: The opinions expressed are as of date and are subject to change at any time due to changes in market or economic conditions. Any performance information shown refers to the past and should not be seen as an indication of future returns. This is not intended to be relied upon as a forecast, research or investment advice and is not a recommendation, offer or solicitation to buy or sell any investments or to adopt any investment strategy.

### Broad Asset Class

Asset Class	Outlook	Rationale
<b>Global Equity</b>	Neutral	Valuations remain elevated in the US, though other major markets look more reasonable. Earnings momentum is trending upward across key global markets, while tariff headline risks have eased significantly. A stable US-China trade relationship reduces global recession risks and provides scope for equities to rebound. Continued AI capex will be supportive of the key AI and Technology stocks, although there will be concerns over concentration risk and high valuations. As such, we expect greater volatility as only a few thematic forces dominate the markets as of now. Investors should remain diversified amid lingering uncertainties.
<b>Fixed Income</b>	Overweight	After a well-telegraphed and expected 3 rate cuts in 2025, the market is expecting another 2 rate cuts in 2026. Recent revisions to the Summary of Economic Projections, show a more upbeat outlook on growth, adding to convictions on a “soft-landing” though inflation continue to remain a concern.
<b>Cash</b>	Underweight	Maintain a nimble cash allocation to capitalize on tactical opportunities amid elevated short term volatility.

### Equity

Countries	Outlook	Rationale
<b>United States</b>	Slight Overweight	US equity market in 2026 remains well-supported with decent earnings growth, continued robust AI investments and boost from fiscal stimulus. Due to valuations and consensus positioning, there is a need to broaden AI and Technology exposures beyond the well-held mega-cap AI stocks. Labor market softness and a bifurcated economy (with booming AI versus lagging traditional economic sectors) add complexity to the equity markets in 2026. However, our base case continues to be a soft-landing scenario (unless fundamental data dictates otherwise), coupled with support from further Fed rate cuts in 2026. Tariff impacts will be more gradual as corporates slowly pass on the costs to the end consumers but will nevertheless keep inflation sticky.
<b>Europe</b>	Slight Underweight	Europe faces a combination of sub-trend growth and earnings sensitivity to global trade tensions, energy price volatility, political fragmentation and geopolitics. Fortunately, the “Make Europe Grow Again” (“MEGA”) initiative, driven by German fiscal expansion and increased EU defense spending, marks a historic shift that should support equities over the longer run. Lagging innovation and lack of clear participation in the AI structural growth theme will hamper further upside. ECB easing may help but could further rate cuts may risk signaling potential economic fragility in the Eurozone.
<b>Japan</b>	Neutral	We remain constructive on Japanese equity markets due to corporate governance reforms, reflation, fiscal expansion under the Takaichi’s administration. AI and technology supply chain will also drive earnings selectively. However, we remain cautious on the key macro risk of policy normalisation with Bank of Japan’s tightening and its resulting impact on rates, the yen and the global carry trade. Japan’s export sectors is vulnerable to global trade tensions and the recent spat with China is not helpful to its tourism sector as well.
<b>Asia ex Japan</b>	Overweight	The weakness in USD provides support for Asian markets in general when investors are seeking geographical diversification. Most regional central banks are easing from relatively high policy levels, while fiscal policy is broadly

Countries	Outlook	Rationale
		supportive of growth. North Asia benefits significantly from the AI infrastructure buildout across the semiconductor supply chains.
<b>ASEAN</b>	Slight Underweight	Coming out of tariff uncertainties in 2025, ASEAN is expected to deliver stable growth in 2026 on the back of further monetary easing and recovery in domestic demand. Further Fed rate cuts, softer US dollar and improving FDI into ASEAN should bode well for the region. In the medium term, rising AI capex should drive datacenter investments and energy demand selectively within the region, while ASEAN continues to build on the China plus one theme. However, several ASEAN economies faced fiscal constraints and political uncertainty. In addition, growth in ASEAN remains cyclically and externally sensitive.
<b>China</b>	Overweight	The Chinese economy has shown resilience but still faces structural challenges, with retail sales, industrial output, and fixed-asset investment all below expectations. Equity performance remains supported by ample liquidity, high household savings, stable US-China relations, and domestic policies. The government's push towards domestic AI supply chain, humanoids and anti-involution plays are key themes. Weaker USD dollar narrative will be supportive of China equities.
<b>Hong Kong</b>	Underweight	Robust financial market and stabilizing residential property market. Retail sales have also been steady. Northern Metropolis gaining momentum as it will help Hong Kong attract more inbound businesses from the rest of the Greater Bay Area.
<b>Taiwan</b>	Overweight	Growth has held up on tariff front loading. AI and technology remain strong thematic supports into 2026 with expected earnings upgrade.
<b>South Korea</b>	Overweight	Corporate governance reforms are ongoing with further measures expected. Ongoing policy support to rerate the equity market and foreign fund expected to increase in the market post short selling ban lifted in March 2025. Memory crunch is the worst in history with strong AI demand.
<b>India</b>	Underweight	Easing measures from Reserve Bank of India ("RBI") announced from rate cuts, improved liquidity and bank deregulation, Goods and Services Tax ("GST") cuts, and slower fiscal consolidation ahead should aid growth. Earning Per Share ("EPS") downgrades have stabilized in the past few months and de-rating risk is modest. Potential moderation in US trade tensions could act as an additional market catalyst.
<b>Australia</b>	Slight Underweight	The Reserve Bank of Australia decided unanimously to hold the cash rate unchanged at 3.6% in its December 2025 meeting, while it continues to adopt a data dependent approach. The decision was followed by a hawkish tone which pointed towards the potential for rate hikes as early as February 2026, as October 2025 CPI spiked to a high of 3.8%. Governor Bullock was open for a hike in 2026, which signaled a possible end of an easing cycle.
<b>Singapore</b>	Slight Overweight	Singapore should continue to be a safe-haven, buoyed by ASEAN and Global growth. Singapore equity market will remain resilient, underpinned by the Singapore Government's very own "Value-up" program - Equity Market Development Programme ("EQDP") which lifted investor sentiment and market liquidity. MAS announced the awarding of the second tranche of EQDP funds (SGD ~2.85bn), which should sustain positive momentum for Singapore equities.
<b>Thailand</b>	Underweight	Following the dissolution of Thai parliament and imminent elections in 1Q 2026, near term political stability should provide support for Thai markets. Structural issues, sluggish economic growth and cross-border tensions still persists and continues to be near term challenges for the new Thai government.
<b>Indonesia</b>	Neutral	With a new cabinet of ministers and Danatara established, President Prabowo is set to drive pro-growth policies to re-ignite Indonesia economic growth in 2026. Further Fed rate cuts and softer USD will provide ample room for Bank Indonesia ("BI") to deliver more policy rate cuts to boost GDP growth and domestic consumption.

Countries	Outlook	Rationale
<b>Philippines</b>	Slight Underweight	Government spending likely to remain subdued amid ongoing corruption investigations, which had also indirectly impacted private consumption. Benighted inflation and stable PHP, meant Bangko Sentral ng Pilipinas (“BSP”) will be able to drive monetary easing to boost GDP growth and revive domestic consumption. Equity valuations remain attractive, but there is lack of clear catalysts entice investors.
<b>Malaysia</b>	Neutral	Bank Negara Malaysia (“BNM”) left the Overnight Policy Rate (“OPR”) at 3.0% in March 2025, in line with consensus. On the domestic front, economic activity to remain strong in 2025 driven by resilient domestic spending, higher wage growth and higher investment realization, including in ongoing multi-year infrastructure projects. Exports to moderate given higher global trade uncertainty with a partial offset from the technology upcycle. Market earnings set to grow between 7.0-7.5% (up from 6.0-7.0% in October 2025) in 2026 and Malaysia offering one of Asia’s good dividend yields, declining rates and easing US-China trade tensions could boost sentiment on Asia and Malaysia equities.
<b>Malaysia Small Cap</b>	Neutral	Small cap stocks are likely to perform in 2026 after weak performance in 2025 as earnings growth improve.

## Fixed Income

Asset Class	Outlook	Rationale
<b>Global Bonds (Rates)</b>	Overweight	While policymakers projected only one more cut in 2026, markets are pricing in 2 or more additional cuts for next year 2026. The Fed also resumed technical purchases of short-term treasury bills to support money market liquidity following its end of quantitative tightening.
<b>Asian High Yield Credit</b>	Neutral	Credit Selection is the key consideration here, as an overall asset class, these would be more sensitive toward recessionary risk, but on the upside we are still positive on some names that have been undervalued that may see significant upside if the regulatory, fiscal and monetary landscape is supportive.
<b>Asian Investment Grade Credit</b>	Overweight	Investment Grade (“IG”) bonds are benchmarked as a spread against UST yields. Credit spreads have tightened significantly this year but has continued to remain stable, and we are advocating the overweight on a total yield /carry basis. The focus remains on credit quality, relative value against peers, and coupon income. In the Investment Grade space, we begin to look at some US IG bonds on spread widening and we still prefer Asian Investment Grade bonds given the resilience against other Emerging Markets peers but are positioned more defensively in the higher quality credit. We are more cautious in terms of duration in the view that the curve could steepen more on fiscal concerns.
<b>China Fixed Income</b>	Neutral	China growth has been largely underwhelming as Property sector revival concerns remain an overhang, however despite this Growth remains resilient at ~5% YoY for 2025. China’s economy still faces some structural challenges. China Fixed Income performance would likely be supported by ample onshore liquidity, stable US-China relations, and domestic policies, however currency is a factor to consider when investing onshore.
<b>Malaysia Fixed Income</b>	Overweight	Malaysian fixed income market is expected to continue to delivering steady returns, albeit at a more moderate pace, given the lower starting level of interest rates. Our constructive view is underpinned by several factors including: (1) a supportive domestic macroeconomic backdrop with inflation pressures largely contained, (2) the Government’s continued commitment to fiscal consolidation and (3) BNM expected to maintain OPR at 2.75%.

## Commodities

Asset Class	Outlook	Rationale
<b>Gold</b>	Slight Overweight	Gold prices soared 12% to 4350 in early October 2025 on renewed US-China conflicts, lengthy US government shutdown and US stagflation fears, as investors rushed into gold as a safe-haven. Gold price retraced briefly back to 4000 after an amicable Trump-Xi meeting during the APEC summit in South Korea, but trended steadily to 4,400 as concerns over US economy persisted. Beyond the expectations of 2 more Fed cuts in 2026 and concerns on US economy, continued central bank buying and ETF flows into gold remains pivotal to sustaining gold prices elevated above 4,200. We expect gold prices to hover at 4,000-4,200 for 1Q 2026.
<b>Crude Oil</b>	Slight Underweight	Crude Oil (Brent) trended downwards gradually for 4Q 2025 as growing crude oil production outweighs the effect of ongoing Russia and Venezuela sanctions and exceeds that of recovering demand. During the period, global oil inventories continued building up to reach 4-year highs, with a notable portion of oil inventory builds coming from strategic stockpiles. The US Energy Information Administration (“EIA”) expects global oil inventories to continue to rise through 2026, putting downward pressure on oil prices in near term. Stabilization of oil prices hinges on the OPEC+ production policy and China’s continued inventory builds will limit price declines. Global oil supply is likely to outpace demand growth in the coming months, coupled with higher stockpiles, should pressure oil prices to trend lower going into 1Q 2026.

## Foreign Exchange

Asset Class	Outlook	Rationale
<b>USD</b>	Neutral to Mild Positive	The US Dollar Index (“DXY”) is expected to soften as the Fed moves toward a more neutral stance after initiating rate cuts in late 2025. While geopolitical risks and safe-haven demand provide some support, narrowing interest rate differentials and moderating inflation will weigh on the dollar. Resilient US growth may limit downside, but the overall trend points to mild weakness as global risk appetite improves and capital flows diversify away from USD.
<b>EUR</b>	Mild Positive	The Euro (“EUR”) is likely to strengthen modestly as Eurozone economic indicators stabilize and the ECB maintains policy consistency. Improved business sentiment, easing energy concerns, and narrowing yield spreads versus the US support EUR recovery. However, political fragmentation and sluggish consumer demand remain structural headwinds. If inflation continues to moderate and fiscal stimulus gains traction, EUR could see incremental gains, especially as investors rotate into undervalued European assets amid global diversification.
<b>GBP</b>	Mild Positive	Sterling may experience a mild rebound in Q1 2026, supported by relative policy stability compared to the US and expectations of gradual BoE easing rather than aggressive cuts. While UK growth remains weak and fiscal constraints persist, labor market resilience and improving external demand offer some support. GBP’s upside will depend on global risk sentiment and clarity on domestic political developments. Overall, the currency is expected to trade in a slightly firmer range.
<b>JPY</b>	Mild Positive	The Japanese Yen is poised for further appreciation as the BoJ continues its gradual exit from ultra-loose policy. Rising inflation and wage growth reinforce expectations of normalization, while safe-haven flows amid geopolitical uncertainty add to Japanese Yen (“JPY”) strength. However, volatility remains elevated, and any delay in BOJ tightening or renewed USD strength could cap gains. Structural improvements in Japan’s economy and investor confidence in BoJ credibility underpin a positive outlook for the yen.
<b>CNH</b>	Neutral to Mild Positive	The offshore yuan (“CNH”) is expected to stabilize with a slight positive bias as China ramps up targeted stimulus and structural reforms to support growth. While trade tensions and capital outflows remain risks, improving domestic consumption and infrastructure investment could bolster sentiment. The

Asset Class	Outlook	Rationale
		People's Bank of China ("PBOC")'s measured approach to liquidity and currency stability will be key. CNH performance will hinge on global risk appetite and Beijing's ability to deliver credible growth initiatives in early 2026.
<b>AUD</b>	Neutral to Mild Positive	The Australian Dollar ("AUD") is likely to trade sideways with a mild bullish tilt, supported by firm commodity prices and China's incremental recovery. The Reserve Bank of Australia ("RBA")'s cautious easing stance and resilient labor market provide a floor for AUD. However, weak domestic consumption and global risk aversion could limit upside. If China's stimulus accelerates and commodity demand strengthens, AUD could outperform regional peers. Overall, the currency remains sensitive to external developments and risk sentiment shifts.
<b>SGD</b>	Neutral	The Singapore Dollar ("SGD") is expected to remain stable, anchored by MAS's neutral policy stance and Singapore's strong macro fundamentals. Low inflation, robust services growth, and prudent fiscal management support SGD resilience. However, regional trade headwinds and USD fluctuations pose challenges. Unless global risk sentiment shifts dramatically or MAS surprises with policy adjustments, SGD will likely hold within a narrow range, maintaining its role as a regional safe-haven currency amid market volatility.
<b>MYR</b>	Mild Positive	The Malaysian Ringgit ("MYR") is projected to strengthen modestly in Q1 2026, supported by steady Bank Negara policy, firm commodity prices, and improving domestic demand. Regional investment flows and a rebound in tourism add to positive sentiment. External risks such as US dollar volatility and China's uneven recovery remain headwinds, but MYR benefits from Malaysia's fiscal stability and structural growth initiatives. Overall, MYR is expected to trade range-bound with upside potential if global conditions stabilize.

**DISCLAIMER**

This update is strictly private, confidential and personal to its recipients and should not be copied, distributed or reproduced in whole or in part, nor passed to any third party, without obtaining prior permission of RHB Asset Management Sdn Bhd ("RHBAM").

This update has been prepared by RHBAM and is solely for information only. It may not be copied, published, circulated, reproduced or distributed in whole or part to any person without the prior written consent of RHBAM. In preparing this update, RHBAM has relied upon and assumed the accuracy and completeness of all information available from public sources or which was otherwise reviewed by RHBAM. Accordingly, whilst RHBAM have taken all reasonable care to ensure that the information contained in this update is not untrue or misleading at the time of publication, RHBAM cannot guarantee its accuracy or completeness and make no representation or warranty (whether expressed or implied) and accept no responsibility or liability for its accuracy or completeness. You should not act on the information contained in this update without first independently verifying its contents.

Any opinion, management forecast or estimate contained in this update is based on information available as the date of this update and reflects prevailing conditions and underlying fund manager's views as of the date of this update, all of which are subject to change at any time without notice. Such opinions, forecasts and estimates as well as the information contained herein relating to the historical performance of various indices is for information only and is not indicative of the future or likely performance of the Fund and should not be construed as such.

A Product Highlights Sheet ("PHS") highlighting the key features and risks of the Fund are available and investors have the right to request for a PHS. Investors are advised to read and understand the contents of the relevant Prospectus / Master Prospectus / Information Memorandum / Replacement Master Prospectus / Disclosure Documents and its relevant supplemental prospectuses (if any) (collectively known as "Prospectuses") / its supplementary(ies) (if any) (collectively known as "the Disclosure Documents") for the Funds before investing in any funds. The Prospectuses / Disclosure Documents have been registered with the Securities Commission Malaysia ("SC") who takes no responsibility for its contents. This update does not amount to indicate that the SC has recommended or endorsed the Fund. Amongst others, investors should consider the fees and charges involved. Investors should also note that the price of units and distributions payable, if any, may go down as well as up. Where a distribution is declared, investors are advised that following the issue of additional units/distribution, the NAV per unit will be reduced from cum-distribution NAV to ex-distribution NAV. Any issue of units to which the Prospectuses / Disclosure Documents relates will only be made on receipt of a form of application referred to in the Prospectuses / Disclosure Documents. Investors are advised that investments are subject to investment risks and that there can be no guarantee that any investment objectives will be achieved. Investors should conduct their own assessment before investing and seek professional advice, where necessary and should not make an investment decision based solely on this update. A copy of the PHS and the Prospectuses / Disclosure Documents can be obtained from any of our offices or website. For more information, please visit our website at [www.rhbgroup.com/myinvest](http://www.rhbgroup.com/myinvest).

RHBAM wishes to highlight the specific risks and other general risks are elaborated in the Prospectus / Master Prospectus / Information Memorandum / Disclosure Document.

This update has not been reviewed by the SC.

