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MERGE

by **RHB**◆

Balancing the Ledger
Between Business and
Personal Finances

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with a Holiday

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Insurance Asia News Institutional Asset Management Awards 2018¹

Best Islamic Equity Manager

RHB Islamic International
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Best Single Country

Fixed Income Manager

RHB Asset Management Sdn Bhd

Insurance Asset Manager of the Year, Indonesia

PT RHB Asset Management Indonesia

KWAP 2018 External Fund Managers Award²

Best Domestic Sukuk 2017

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Best Domestic Fixed Income

3-years TWRR 2017

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Asia Asset Management 2018 Best of the Best Awards³

ASEAN Equity (3-years)

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Fundspermart Recommended Unit Trusts 2018/19⁴

Fixed Income - Malaysia

RHB Bond Fund

Fixed Income - Malaysia (Islamic)

RHB Islamic Bond Fund

Fixed Income - Asia

RHB Asian Total Return Fund

Fixed Income - Emerging Markets

RHB Emerging Markets Bond Fund

Balanced - Asia ex-Japan

RHB Asian Income Fund

Investor-Infovesta Best Mutual Fund Awards 2018⁵

Best Equity Mutual Fund

(5-year category with assets
between IDR100bn – 500bn)

*RHB Alpha Sector Rotation Fund

Cambridge IF Analytica & Islamic Finance Review⁶ Top 50 Most Influential Women in Islamic Finance 2018

Sharizad Juma'at –

CEO of RHB Islamic International Asset
Management Berhad & Regional Head of
Islamic Business

The Edge - Thomson Reuters Lipper Fund Awards 2018⁷

Bond MYR – Malaysia Islamic

(3-, 5-, 10- years)

RHB Islamic Bond Fund

Mixed Asset MYR Conservative

Malaysia Pension (10-years)

RHB Smart Income Fund

Best Bond Award – Malaysia Pension

RHB Asset Management Sdn Bhd

Thomson Reuters Lipper Global Islamic Fund Awards 2018⁸

Bond MYR – Malaysia Islamic

(3-, 5-, 10- years)

RHB Islamic Bond Fund

AsianInvestor Asset Management Awards 2018⁹

Market Awards –

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Our ASEAN expertise and regional insights have proven to deliver results time and again. Today, our achievements have been recognised once more with multiple prestigious awards – a testament to our commitment in providing solutions that help you achieve your financial goals.

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For more information

Log on www.rhbgroup.com

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Indonesia: PT RHB Asset Management Indonesia **6221 2783 0889**

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TOGETHER WE PROGRESS

RHB Asset Management

Source: ¹ Insurance Asia News, Institutional Asset Management Awards 2018, 15th March, 2018 ² KWAP, 3 May 2018 ³ Asia Asset Management, 2018 Best of the Best Awards, 20 February 2018. ⁴ Fundspermart's Recommended Unit Trusts 2018/19, 3 July 2018 ⁵ Investor-Infovesta Best Mutual Fund Awards, 21 March 2018 ⁶ Cambridge IFA, 2 April 2018 ⁷ The Edge-Thomson Reuters Lipper Fund Awards 2018, 26 March 2018. ⁸ Thomson Reuters Lipper Fund Awards - Global Islamic Fund Awards 2018, 30 April 2018 ⁹ AsianInvestor, 28 March 2018

FOREWORD

It has certainly been an exciting past few months in Malaysia. Change is the theme of the day and with that, I would like to address one very important keyword; Planning.

Planning will allow us to undertake positive actions such as the proper allocation of resources and management of risk. Keeping that in mind, it can also help us prioritize our areas of focus to achieve a more holistic work/life balance.

I'd like to take a moment to share with you some thoughts on the fine line between business and personal finances. With the proper planning and safeguards, you can strategize on the best ways in which a strength in one can be complementary to the other. Let us demonstrate a few areas where this might be so.

Planning for your child's education also comes to the fore. It has become painfully clear that the price of education, both domestic and foreign can be an increasingly high hurdle as each year passes. Let us put practical information in your hands to help you decide on the best way to cope with rising costs amidst what may be a possibly weakening Ringgit position.

Lastly, even while deciding on your next destination location, have you considered what benefits there might be to your children in such an endeavour? Even from their littlest days, children can be more affected in their development tendencies than you might realise. There are some ideal domestic destinations where you can have fun while at the same time look towards your child's early development.

I sincerely hope you have been enjoying a fruitful relationship with us at RHB. As always, if there is anything we can help you with, please do contact your RHB Relationship Manager or visit the nearest RHB Premier Centre.



Nazri Othman

Acting Head of Group Retail Banking

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THE BALANCING ACT

Balancing the Ledger Between Business and Personal Finances

It is often too tempting for business owners to take a casual approach towards managing their finances. A common misconception is that since the business belongs to the owner, there is no distinction between the financials of the two. This is incorrect and will lead to future problems, particularly during an audit. According to Bloomberg data, eight out of ten businesses fail within the first 18 months. In Malaysia, the Federation of Malay Economic Bodies has put this number at an average of 82 out of 100. This high number of failures often stem from a lack of long-term planning and necessary management skills.

How business owners can be better prepared

In a report based on start-up post mortems, it was found that of those who failed, 29% did so due to a lack of funding. With the right planning, funding and flexibility, businesses will have a better chance of succeeding. Here are some financial tips that can help you build the business of your dreams while maintaining a healthy balance for your personal finance.

A) Separate Business Funds from Personal Funds – By staying organized your business will be more credible and there will be no issues in auditing or tax calculation. The separation will also allow your business to clearly demonstrate its obligations while your personal finances are kept safe from any business liabilities. This might not be the

easiest of tasks sometimes, so thankfully there are powerful solutions you can make use of such as RHB's SME e-Retail for retailing owners. This all-in-one business solution has the tools to help you

manage cash flow and monitor your business financials while keeping costs down.

B) Leverage – There will almost certainly be times when you will need leverage to expand. Rather than giving up equity to leverage, a business loan is a better option. RHB's SME Biz Power Loan gives you the opportunity to not only get the funds you need, but

also retain full ownership of your business. You can also apply through the RHB SME Financing Online Portal, which means valuable time saved! Alternatively, should you so desire there is also the option to inject funds into your own business. This is done by either reinvesting personal funds or buying more equity. Having strong personal finances will allow you to do this with ease and reduce the chances you'll have to seek funds from a third party.

In a report based on start-up post-mortems, it was found that of those who failed, 29% did so due to a lack of funding.

C) Mitigate Your Risks – Businesses usually do their utmost prevent having excess unused funds. One way of doing this is to opt for a solution such as RHB BizPower Flexi FD. This can help both limit your credit

“ Having a strong personal finance portfolio can auger well for your business. ”



exposure as well as ensure that you have access to funds anytime you need it. Similarly, on a personal note, putting extra funds into a Fixed Deposit account will help you reap the benefits of increased interest income as well as help insure that you've got something aside in case of emergencies.

D) Diversify – As the saying goes, it's not a good idea to keep all your eggs in one basket. By diversifying your business, you will benefit from an extra layer of protection should factors affect any industry. Similarly, look towards a diversification in personal funds so that you can lower your risk profile. One option would be to look towards Unit Trust Funds. RHB's Wealth Management team can help you invest in various award-winning funds. Unit Trust Funds have been known to generate up to 25% in returns (over a one-year period).

Move ahead with an eye towards the future

Having a strong personal finance portfolio can auger well for your business. The reverse will also be true, but both are conditional upon managing your money wisely. It may be true that it takes a lot of discipline to keep the lines between personal and business wealth separate. However, as you can see, there are similarities in the way both can be governed. With RHB as your preferred partner, rest assured that we will take care of your financial needs as you build the business of your dreams. Speak with your RHB Relationship Manager today and discover how RHB's strong offerings in both personal and business financial solutions can support your needs.

¹ Past performance of funds are not an indication of future performance and return percentages may go down as well as up

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EDUCATION COST ON THE RISE

Beating the inflation of education

"Pursuing a college degree, regardless if it is a bachelor's, master's or PhD can be a costly investment for both students and parents."



Education & Funds

Pursuing a college degree, regardless if it is a bachelor's, master's or PhD can be a costly investment for both students and parents. It is also undeniably a key stepping stone to a lifetime of gainful employment. As a parent, you can help your child by planning for their future.

According to current-day estimates in PayScale's 2018 College ROI Report, a four-year degree from Princeton University will cost around US\$240,000 (approx. RM954,960) for a four-year degree. For many preferred private universities abroad, this cost is similar. There is also the option to be closer to home instead. Malaysia offers Twinning programmes with many foreign universities. For example, Sunway University has partnerships with American and Australian universities such as Western Michigan and Victoria.

You can also choose to enrol at the Malaysia campus of some foreign universities such as Monash or University of Nottingham.

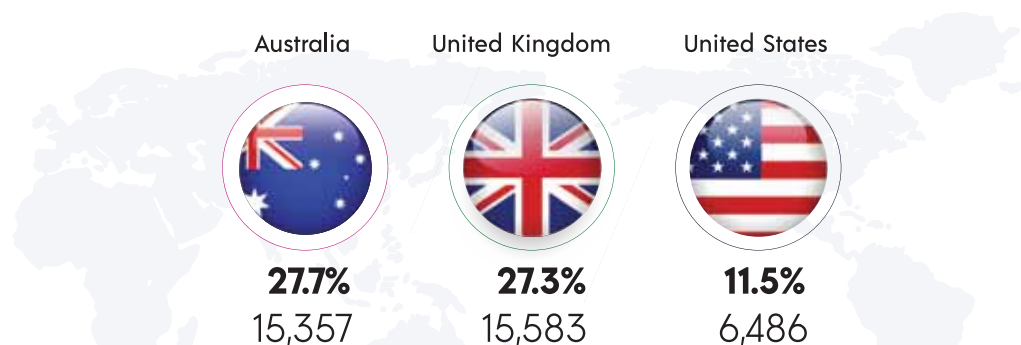
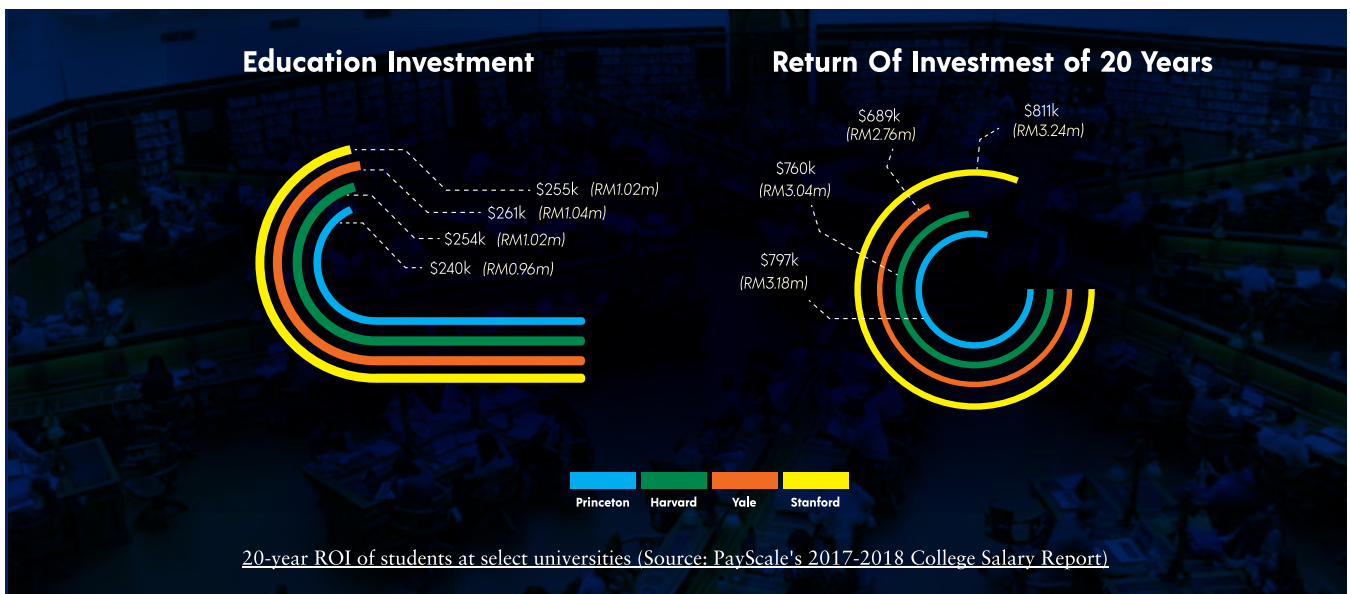
Yet to choose these could possibly ignore some of the intangible benefits that an overseas education might afford. For example, an immersion in native English-language speaking societies, exposure to cultures other than their own, and the chance to be more independent as young adults. Although not all Malaysians will want to study abroad, an Anderson Market Analytics survey has indicated that more than 70% of students polled want to study overseas.

Irrespective of the choice of local or overseas education, being aware of the cost of higher education is one step in the right direction towards planning for your child's future.

The Cost Of Higher Education Is Rising

Data collated by USA Today indicates that the top 50 private universities raised their tuition by an average of 3.6% for the 2017-2018 school year. In the United States, Federal data shows that since 1990, the cost of education has been growing at a rate roughly twice that of overall consumer prices.

Yet this rising cost is not limited to just the United States. For example, the United Kingdom has just last year passed new legislation allowing universities to raise fees annually. Australia has seen private education costs rise by as much as 61% over the last decade.



Project Atlas has found that these are the top three destinations favoured by Malaysians studying abroad

The College ROI is determined by comparing the combination of cost of attendance and earning potential in a 20 year period after graduation. <https://www.payscale.com/college-salary-report/methodology>

Start Planning Your Child's Education Fund

The options available to you vary depending on how young your child is. Either way, the key difference would be in your investment choices and strategy. Starting early often means a lesser burden on your finances because you can start with smaller investments. However, if things are getting urgent, all is not lost. If your child is young and time is on your side; Acting now can lead to a much smoother trip down the education highway.

Unit Trust Funds are the perfect way to not only diversify your portfolio, but to steadily build an income stream over time. Unit Trust Funds not only allow you to start off with low initial investments, but also offer a reduction in investment risk through diversification. Also, by investing in Unit Trust Funds, your money is pooled with that of other investors, allowing you to potentially benefit from opportunities that might not be possible for individual investors. For those interested in something slightly more traditional, there are also choices for you. Take for example investment-linked offerings. These plans offer insurance coverage while at the same time letting you grow your wealth through managed funds aimed at maximizing potential medium to long term returns. No matter your choice, you will be able to rest assured that your financial future is in great hands, thanks to professional fund managers with a proven track record in managing high volume of funds.

If you're starting off late and beginning to worry; Relax, you can still make it!

Dual Currency Investment allows you to link your investment to the performance of a pair of select currencies. This tool of investment is something that you can leverage on to potentially benefit from higher returns compared to traditional deposits.

Dual Currency Investments are short-term, high potential yield products. They also present the opportunity to diversify your existing investment portfolio.

Choose the Right Solution for Your Needs

Bridging the gap between the rapidly rising cost of tertiary education abroad and your financial independence is without a doubt challenging for parents. The cost of sending your children abroad may seem disheartening or even downright scary, but it isn't impossible to achieve.

With the right RHB Wealth Management solution you'll be able to not only be able to manage this need, but also pave the way for a brighter financial future. RHB offers a wide range of more than 100 professionally managed Unit Trust Funds as well as investment-linked plans such as RHB Essential PrimeLink.

If you're still unsure about how to proceed or what might best fit your needs, we encourage you to call your RHB Relationship Manager today for advice.

Remember, your child is precious, so why not start planning today?





EXPLORE THE WORLD WHEN YOU INVEST WITH RHB

Stand to win

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Qualifying Criteria	Number of Entries
Every RM50,000 investment *	10X
Sign up for RHB Premier Visa Infinite Credit Card (minimum 1 swipe)	Total entries earned will be multiplied by 2X

Campaign Period: 1 August – 31 December 2018

• Terms and Conditions apply • Minimum investment amount is RM50,000 • Promotion ends 31 December 2018

EXPAND YOUR CHILD'S

HORIZON

Exercise Your Child's Mind with a Holiday



According to
the Travel
Effect Report
Card,

86% of
people who
reported
travel in their
youth showed
greater
intellectual
curiosity both
in and out of
school. ”

Tropical beach,
Pulau Langkawi, Malaysia

Traveling & Learning

Positive gains that travel brings are applicable to children as well as any adults. According to the Travel Effect Report Card, 86% of people who reported travel in their youth showed greater intellectual curiosity both in and out of school.

In an article called “The science behind how holidays make your child happier and smarter,” child psychotherapist Dr. Margot Sunderland explained how holidays can advance brain development by activating two genetically ingrained systems deep within the brain’s limbic area, named the PLAY and SEEKING system.

The PLAY area is activated in personal interaction, such as tickling your child, giving them a ride on your back, or similar close activities. The SEEKING area is activated when you explore and discover new things together, such as when going on a hike or experience a new place.

In addition to this learning phenomena, studies also indicate that adults who had taken educational trips as a child were more likely to complete university and, on average, make an estimated USD5,000 more annually at their first jobs than their peers who did not make such trips.

These compelling reasons offer good incentive towards the idea of travel in helping your child’s development. Wouldn’t it be a great idea to both take a break as well as move towards building a better future for your child? In fact, given that Malaysia also boasts world-class travel destinations, that holiday might be closer to home than you think. Let’s take a look at some iconic destinations right here in Malaysia.

Developing your Child’s Mind Through Different Experiences

1. Genetic Development Through Sun and Surf

Young children often learn through interaction with objects and materials in their environment. When it comes to the sun and surf specifically, this type of environment can also influence how your child’s genetics develop. Try it out for yourself, perhaps on the white sandy beaches of Pulau Sipadan. Once labelled by famed explorer Jacques Cousteau as “an untouched piece of art”, the textural experience can also provide stimulation for some portions of the brain that helps extend learning.

2. Adapting Early to Harmony and Cooperation

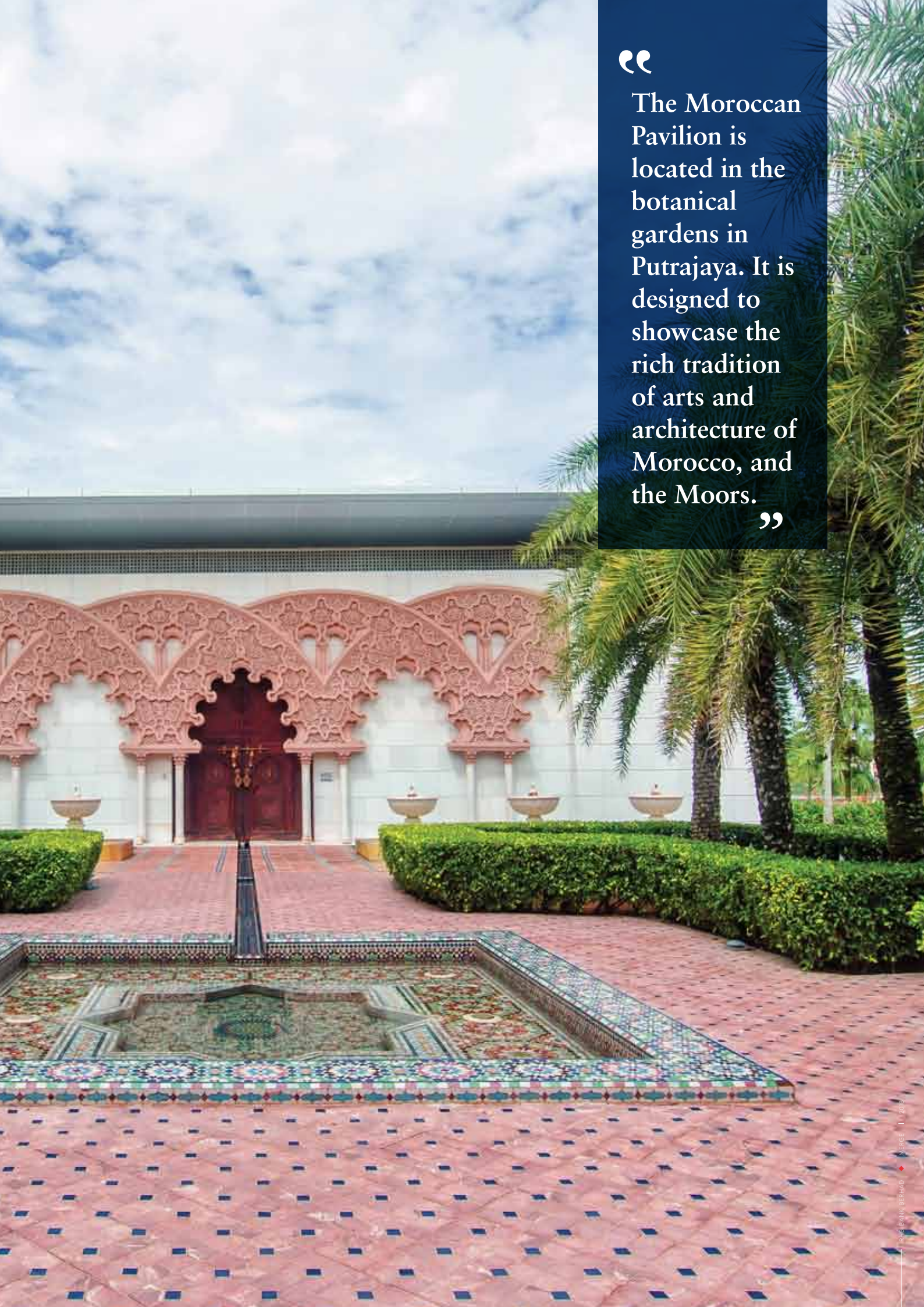
During the early years of childhood, children perceive objects, movement, and print in an expanded manner as they process visuals. Studies have shown that exposure to different cultures are often conducive to the development of patience, curiosity, observational skills, empathy and flexibility. In the scenic depths of the Putrajaya Botanical Gardens there is the Astaka Morocco (Moroccan Pavilion) as well as the Portuguese influences of Malacca of which some of the architecture here reflects that of Portuguese culture. This is a better start to expose your child to a totally different culture and yet to be so close to home.



“

The Moroccan Pavilion is located in the botanical gardens in Putrajaya. It is designed to showcase the rich tradition of arts and architecture of Morocco, and the Moors.

”



Traveling & Learning

3. Positive Reinforcement Through Wildlife

In many cases, positive childhood memories do include interactions with a beloved pet. Feeding, playing with and even stroking an animal has been shown to help children develop positive values such as compassion and care. Rather than run out and get a pet, why not test out the theory with a trip down to the lush fields of Kundasang and visit Desa Cattle Dairy Farm, where the flora and fauna are abundant? Alternatively, Colmar Tropicale in Pahang also gives the opportunity for animal interaction as well, such as with golden-coated, white-maned Palomino horses where children can learn respect and esteem for the majestic creatures.

“Feeding, playing with and even stroking an animal has been shown to help children develop positive values such as compassion and care.”

Prepare for a Safe, Stress-free Journey

Before you embark on that precious learning journey with your family, make sure you're prepared by leveraging on the many discounts and privileges that come with RHB Credit Cards. For example, with your RHB Credit Card, you're entitled to discounts on hotel bookings done through [Expedia.com.my](https://www.expedia.com.my), [Agoda.com](https://www.agoda.com), [Hotels.com](https://www.hotels.com) and more!

If you're thinking about a road trip, remember to keep your car insurance up to date. This can be easily done via the RHB Insurance Mobile App where you can renew your car insurance and road tax anytime, anywhere. In addition to that, you can search for exciting destinations within Malaysia and helpful travel hacks from www.dahcover.com

For complete peace of mind, give your loved ones the benefit of extra protection. Sign up for a plan that gives you and your family complete protection such as RHB Travel Protector Plus. Alternatively, go completely worry-free with year-round travel protection with RHB's Annual Travel Protector coverage.

Talk to your RHB Relationship Manager today to protect yourself and your family for a safe holiday.



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Kundasang, Sabah



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Discover Kenyir Lake, Hulu Terengganu

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Top 20 Performing Funds

Distributed by RHB.

Based on accumulative return (%)

NAME OF FUNDS	ASSET TYPE	1 YEAR (%)	3 YEARS (%)	5 YEARS (%)
TA Global Technology	Equity	11.6	54.8	128.7
Manulife India Equity	Equity	4.7	41.3	120.4
RHB China-India Dynamic Growth	Equity	11.4	26.0	107.6
RHB Big Cap China Enterprise	Equity	14.2	24.3	98.9
Eastspring Investments Small-cap	Equity	-7.0	19.9	91.9
CIMB-Principal Global Titans	Equity	4.1	27.3	88.2
CIMB-Principal Asia Pacific Dynamic Income MYR	Equity	14.6	33.7	85.3
RHB US Focus Equity	Equity	8.4	26.2	70.4
CIMB Islamic Asia Pacific Equity	Equity	11.4	26.3	65.1
TA European Equity	Equity	-2.2	18.4	63.2
Kenanga Growth	Equity	-4.5	18.6	60.1
Manulife Investment Asia-Pacific REIT	Equity	1.9	31.9	57.6
RHB-GS US Equity	Equity	11.1	18.8	57.0
Eastspring Investments Dynamic	Mixed Assets	-4.4	8.1	56.2
Eastspring Investments Asia Pacific Equity MY	Equity	4.6	18.8	55.4
CIMB-Principal Equity Income	Equity	9.3	23.9	55.3
Eastspring Investments Global Emerging Markets	Equity	5.2	29.5	53.1
Affin Hwang Select Asia (ex Japan) Opportunity	Equity	14.5	36.6	52.9
RHB Asian Income MYR	Mixed Assets	1.8	23.5	52.7
RHB Golden Dragon	Mixed Assets	6.1	7.8	50.6

Talk to your Relationship Manager today to find out more on the Award-Winning Unit Trust funds. Invest with RHB Now.

Source: Lipper as at 31 May 2018

TOGETHER WE PROGRESS



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- Investors are advised to read and understand the contents of the respective product offering documents or prospectus before investing. Among others, investors should consider the fees and charges involved. The price of units and distributions payable, if any, may down as well as up. Top Performing Unit Trusts Funds distributed by RHB (ranked by 5 years Performance Growth %). Data is sourced from Lipper on 31 May, 2018.
- Asset Type is based on Lipper classification.

*Terms & Conditions apply.

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