RHB Asset Management

FUND FACTSHEET – JANUARY 2018

All data expressed as at 31 December 2017 unless otherwise stated

3-year Fund Volatility 10.4 high Lipper Analytics 15 DEC 2017

RHB ASIA CONSUMER FUND

This Fund aims to achieve capital appreciation through investment in equities or equity-related securities of Asian (excluding Japanese) companies whose businesses are likely to benefit from or are related to growth in consumer spending in Asia.

INVESTOR PROFILE

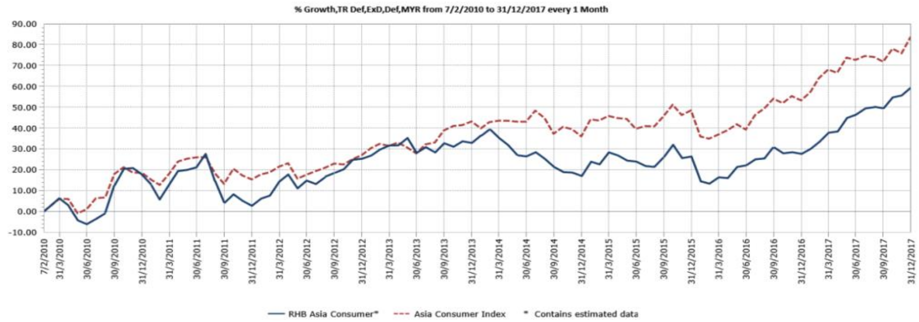
This Fund is suitable for Investors who:
- seek investment opportunities in companies whose businesses are likely to benefit from or related to growth in consumer spending in Asia;
- seek capital appreciation rather than income; and
- are willing to accept a higher risk in their investments to obtain potentially higher returns in the long term.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the units of United Asia Consumer Fund.
- 2% - 5% of NAV: Investments in liquid assets including money market instruments and deposits with financial institutions.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	**2.44**	**6.78**	**8.87**	**24.89**
Benchmark	4.55	7.00	6.45	19.95

	1 Year	3 Years	5 Years	Since Launch
Fund	**24.89**	**36.25**	**27.40**	**59.48**
Benchmark	19.95	35.15	44.67	83.81

Calendar Year Performance (%)*

	2017	2016	2015	2014	2013
Fund	**24.89**	**1.15**	**7.86**	**-11.83**	**6.05**
Benchmark	19.95	3.21	9.17	-4.99	12.66

Source: Lipper IM

FUND DETAILS

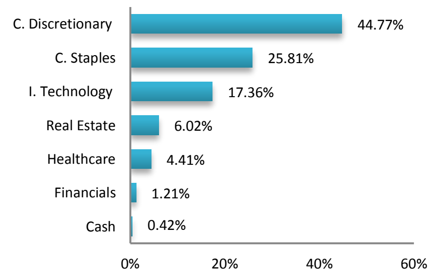
Manager	RHB Asset Management Sdn. Bhd.
Trustee	TMF Trustees Malaysia Bhd
Fund Category	Feeder Fund
Fund Type	Growth Fund
Launch Date	18 January 2010
Unit NAV	RM0.5922
Fund Size (million)	RM9.95
Units In Circulation (million)	16.81
Financial Year End	31 July
MER (as at 31 July 2017)	0.58%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	50% MSCI AC Asia ex Japan Consumer Discretionary Index (RM)+50% MSCI AC Asia ex Japan Consumer Staples Index(RM)
Sales Charge	Up to 5.50% of investment amount*
Redemption Charge	None
Annual Management Fee	1.80% p.a. of NAV*
Annual Trustee Fee	0.08% p.a. of NAV, subject to a min. of RM18,000 p.a.*
Distribution Policy	None

**The implementation of GST will be effective from 1 April 2015 at the rate of 6% and the fees or charges payable is exclusive of GST.*

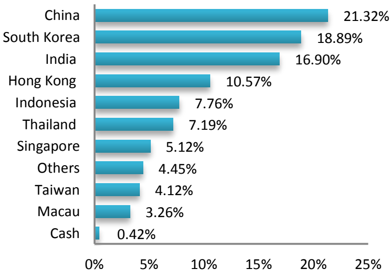
**For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

ALIBABA GROUP HOLDING LTD	9.58
MARUTI SUZUKI INDIA LTD	9.56
HINDUSTAN UNILEVER LTD	5.29
TENCENT HOLDINGS LTD	5.02
BRILLIANCE CHINA AUTOMOTIVE HO	4.40

**As percentage of NAV*

**Source: UOBAM, 31 December 2017. Exposure in United Asia Consumer Fund - 96.03%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5922	0.6011	0.6451
Low	0.5673	0.5192	0.4510

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)	Yield (%)
20 Jul 2017	5.2000	9.56
31 Jul 2016	-	-
31 Jul 2015	-	-
31 Jul 2014	6.5000	10.78
31 Jul 2013	-	-

Source: RHB Asset Management Sdn. Bhd.

RHB ASIA CONSUMER FUND

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MANAGER'S COMMENTS

MARKET REVIEW

Asian markets outside of Japan ended the last month of 2017 by outperforming global equities. For the year in review, Asia ex-Japan registered a record rally as it surged ahead of its peers led by Chinese stocks that saw earnings upgrades which continued to boost confidence in the region. During the month of December, the US Federal Reserve (Fed) raised interest rates in line with expectations as it revised the growth outlook upward while keeping its forecast for three interest rate hikes in 2018. Investors cheered the passage of the US tax reductions as it fuelled sentiments of further economic growth.

With the exception of Singapore, which underperformed the global benchmark, all markets either performed in line or outperformed. The healthcare sector was the strongest performer. A risk-on sentiment returned to the markets as the defensive space including industrials and telecommunications underperformed. Utilities and information technology fell into losses with the latter sliding downward as skepticism crept in on how a tech rally could be further sustained.

Global economic growth remained firm in December. The US manufacturing gauge rose to 59.7, as the world's largest economy expanded to its best performance in 13 years. Gains were driven by domestic business investment, and increased American household spending. Though the official Purchasing Managers' Index (PMI) fell slightly to 51.6 in China, the Caixin factory figure reached a four month high. Elsewhere in other economies, manufacturing activity in Japan, India and the Eurozone rose.

China stocks underperformed the benchmark during the month where financial regulators tightened on bank liquidity management. The country concluded its Central Economic Work Conference and outlined steps to tackle financial risks and signalled a will to rein in credit growth. Taiwan underperformed as its tech sector continued to witness outflows as investors rotated allocation to non-tech sectors. Hong Kong was lifted by Macau casino names while property stocks shrugged off the higher interest rates and climbed upward.

Korean equities underperformed amid investors who sold off for profit taking. Over in India, the NIFTY turned positive from the previous month and outperformed on the back of gains in the consumer discretionary, telecoms and the materials sector.

Overall, the ASEAN markets fared better than the benchmark. Indonesia was the top performer for Asia ex-Japan as the country saw its second sovereign rating upgrade, with all sectors booking absolute gains for the month. Thailand rose as the central bank raised GDP forecasts higher with a rally led by energy, tourism, consumer and telecom sectors. The Philippines gained as President Duterte approved the first tax reform package slated to boost revenues that will spur infrastructure spending. Malaysia outperformed, notably on bank performance, healthcare and consumer staples. Singapore was the only underperformer despite stronger than expected growth numbers for the fourth quarter of 2017.

MARKET OUTLOOK AND STRATEGY

Asia's fundamentals have improved significantly this year. 2017 is just the first year of improving returns on equity (ROE) after 6 years of decline. Moreover, these improving ROEs have been achieved with rising margins and sales and lower corporate gearing. Furthermore, Asia's earnings revisions have outpaced global markets since the beginning of the year. In the 3 other periods that Asia's earnings revisions have outpaced global markets over the last 20 years, 2002, 2004 and post November 2008, the Asian markets have outperformed global markets significantly for the next 18 months.

Despite the strong run in 2017, Asian market valuations are still reasonable. Asia ex Japan is now trading at the 10-year historical mean level on a price-to-book basis, though above mean on price-to-earnings. On a global comparison, Asia ex Japan's is at a 20+% discount to global markets average on price to earnings and Price to book vs ROE. In the last Asian equities bull run in 2007, it traded as high as 18% premium to the global markets.

Foreign fund inflows into the regions have been strong for the second year in a row, but we believe the Asian markets still remain far from overbought. There had been sizeable outflows in August and September which removes some froth in the market before inflows resumed in October and November. Net foreign buying is just 0.4% of market capitalisation compared to well above 1% during previous period of Asian markets' euphoria.

Underpinning Asia's strong performance this year is North Asia, particularly China. Despite expectations of slowing economic growth in China, we are seeing improving macro and micro fundamentals in the markets. Industrial profits and corporate earnings have positively surprised significantly in 2017, helped by capacity rationalization, improving utilization and a rebound producer price inflation following the government's supply side reforms. China's rebalancing continues to accelerate with growth in consumption and services outstripping manufacturing and investments with further support from improving wage growth this year and consumer leverage. The debt to GDP build up has slowed down and corporates have begun to deleverage. Banks' non-performing loans problems are also improving with better loan mix and overall corporate profitability. As we see the macro risks subsiding and continued strong corporate earnings, China's historical discount to global markets should continue to narrow.

Barring a catastrophic war with North Korea or sharp correction in the US market, the stage is set for Asian markets to continue their trend of outperformance.

We continue to prefer North Asia over Southeast Asia and India on stronger earnings momentum and cheaper valuations. We have raised China to overweight from neutral. We keep our overweight position in Korea and remain underweight in India and Southeast Asia.

Within ASEAN, we are overweight on Thailand as we forecast economic growth to accelerate in the 4th quarter and consequently lead to improving corporate earnings. Net foreign inflows and government infrastructure investments should pick up in 2018. We are also overweight Singapore. We expect economic strength to continue in 2018 after a robust 2017 as Singapore is a direct beneficiary of improving global economic growth. While valuations have reflected increased optimism, we believe consensus earnings upgrades could support further upside. We continue to underweight Malaysia due to the overhang from the delay in the general elections. We are neutral on Indonesia. Despite the benefit from higher commodity prices, the broader economy has remained lacklustre due to weak consumption and business spending. Electricity tariff hikes had impacted consumption 2017. Political uncertainty ahead of the 2018 election has held back corporate investments. Nonetheless, there could be some recovery in consumption in 2018 as the government dishes out financial aid and improves job creation for the lower income class. We should also see some political clarity in the lead up to and after the 2018 elections. Indonesia has rarely underperformed 2 years in a row and so we could see the market catch up after a disappointing 2017. We remain underweight the Philippines due to valuation concerns and weak corporate earnings. We are also seeing weaker trends in OFW remittances and higher likelihood of rate hikes due to rising inflation and the weak peso.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 December 2017, the Volatility Factor (VF) for this fund is 10.4 and is classified as "High". (source: Lipper) "High" includes funds with VF that are above 8.2 but not more than 10.7 (source: Lipper). The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC. The VC referred to was dated 30 June 2017 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 2017.

A Product Highlights Sheet ("PHS") highlighting the key features and risks of the Fund is available and investors have the right to request for a PHS. Investors are advised to obtain, read and understand the PHS and the contents of the Master Prospectus dated 6 October 2017 and its supplementary(ies) (if any) ("the Master Prospectus") before investing. The Master Prospectus has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. 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 Master Prospectus relates will only be made on receipt of a form of application referred to in the Master Prospectus. For more details, please call 1-800-88-3175 for a copy of the PHS and the Master Prospectus or collect one from any of our branches or authorised distributors.

The Manager wishes to highlight the specific risks for the Fund are management risk and foreign investment risks such as country risk and currency risk and the specific risks of the target fund are market risk in Asian (excluding Japan) markets, foreign exchange risk, political risk, derivatives risk, liquidity risk, small capitalisation companies risk, single sector and regional risk, counterparty risk, financial institution risk, equity risk, broker risk and investment management risk. These risks and other general risks are elaborated in the Master Prospectus.

This factsheet is prepared for information purposes only. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive it. Past performance is not necessarily a guide to future performance. Returns may vary from year to year.