RHB Asset Management

FUND FACTSHEET – DECEMBER 2017

All data expressed as at 30 November 2017 unless otherwise stated

3-year Fund Volatility 6.9 moderate Lipper Analytics 15 NOV 2017

RHB ASIAN INCOME FUND

The Fund aims to provide income and capital growth over the medium to long term by investing in one target fund, i.e. the Schroder Asian Income.

INVESTOR PROFILE

This Fund is suitable for Investors who:

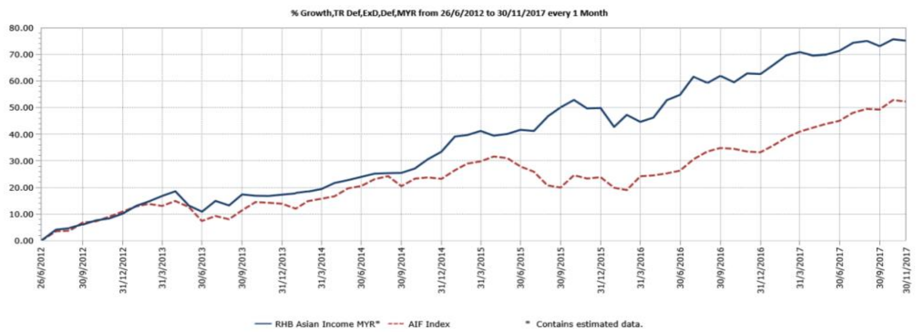
- seek income and capital growth over the medium to long term;
- have moderate risk appetite; and
- seek investment opportunities in the Asian region.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the units of Schroder AI.
- 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	**-0.30**	**0.03**	**3.00**	**7.60**
Benchmark	-0.36	1.86	5.82	14.27

	1 Year	3 Years	5 Years	Since Launch
Fund	**7.46**	**34.02**	**61.35**	**75.05**
Benchmark	14.02	22.95	39.53	52.28

Calendar Year Performance (%)*

	2016	2015	2014	2013
Fund	**8.62**	**14.56**	**13.63**	**6.44**
Benchmark	7.53	16.21	10.07	11.47

Source: Lipper IM

FUND DETAILS

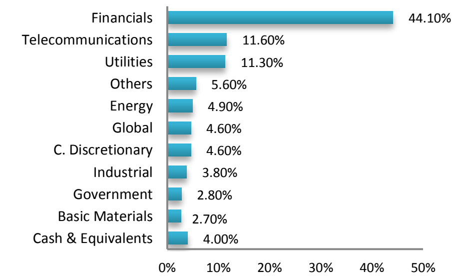
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Feeder Fund
Fund Type	Income Fund
Launch Date	05 June 2012
Unit NAV	RM0.6733
Fund Size (million)	RM3,987.98
Units In Circulation (million)	5922.89
Financial Year End	31 July
MER (as at 31 July 2017)	0.79%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	50% MSCI AC Asia Pacific ex Japan Net (RM) + 50% JP Morgan Asia Credit Index (SGD Hedged) (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	Up to 0.08% p.a. of NAV*
Switching Fee	RM25.00 per switch*
Redemption Period	Within 10 days after receipt the request to repurchase
Distribution Policy	Quarterly, if any

**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.*

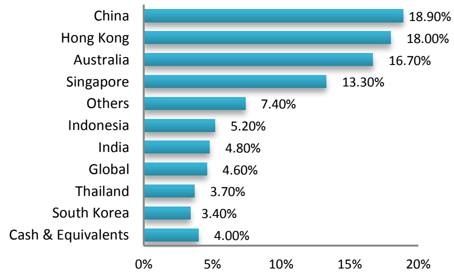
**For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

CAPITALAND COMMERCIAL TRUST REIT	2.10
HK ELECTRIC INVESTMENTS	2.10
MAPLETREE GREATER CHINA COMMERCIAL TRUST REIT	1.80
LINK REIT	1.80
FORTUNE REIT	1.70

**As percentage of NAV*

**Source: Schroder, 30 November 2017. Exposure in Schroder Asian Income - 95.31%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6778	0.6802	0.6802
Low	0.6713	0.6403	0.5000

Source: Lipper IM

Historical Distributions (Last 4 Quarters) (Net)

	Distribution (sen)	Yield (%)
26 Oct 2017	0.4500	0.67
20 Jul 2017	0.6700	0.99
25 Apr 2017	0.5024	0.75
24 Jan 2017	0.6600	1.00

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MANAGER'S COMMENTS

MARKET OVERVIEW

Asia ex-Japan equities finished November in marginally positive territory as an initial run-up in markets early in the month was pared, with a sell-off in US technology shares late in the period spreading to their Asian counterparts. Chinese stocks finished the month up with consumer and technology stocks gaining more ground albeit concerns over deleveraging and a spike in bond yields which limited overall gains. In nearby Hong Kong, stocks also delivered positive returns as index heavyweights such as Tencent powered the Hang Seng Index to a 10-year high before a brief sell-off ensued going into the month end. Taiwanese stocks declined on the back of a weak month for its technology stocks while Korean equities finished flat. In ASEAN, Indonesia stocks finished broadly flat while Thailand stocks rose as growth for its economy hit a near-five-year high in the third quarter.

Asian credits delivered marginally negative returns on the back of the widening of credit spreads, while 10-year US Treasury yields rose 3bps amid the high possibility of a December rate hike. Both investment grade and high yield credit declined over the month, however, the latter was the underperformer in tantrum with the US high yield spread widening given weaker sentiment. On the other hand, Asia local currency bonds posted positive returns on the back of a weak US dollar.

Over the month, the Singapore dollar rose by +1.1% against the US dollar.

ASSET ALLOCATION STRATEGY AND OUTLOOK

Over the month, the physical exposure to Asian equities and global allocation remained at 59% and 5% respectively. Our exposure to Asian fixed income decreased slightly to 33%. The fund is currently fully invested without any equity hedge, as we believe equities remain in a sweet-spot given steady economic momentum and supportive financial conditions.

In currency management, we increased hedges on USD by 4%. After the short-term bounce in USD, SGD is strengthening again on better exports, recovering housing market and a flexible central bank that might consider monetary tightening if growth improvement continues. Overall, the exposure to SGD increased to 56% while and HKD & USD exposure declined to 22%.

We have upgraded our global growth forecast for 2018 to 3.3% from a previous estimate of 3.0%. If correct, this would make 2018 the strongest year for global growth since 2011. This should continue to support global trade, which is positive for emerging markets. Despite the Fed's actions to reduce its balance sheet and a December rate hike, these events were widely anticipated and global financial conditions remain very supportive. USD also failed to strengthen noticeably on the tax cut announcement and we continue to think there is a bias for US dollar weakness over the medium term which will benefit the Asian assets. The monetary policy normalisation from developed market central banks is expected to remain gradual and sensitive to global economic conditions and exercise caution as stimulus is withdrawn. Emerging markets continue to see fund inflows as we enter the New Year and the rising commodities prices remain supportive of those export-oriented economies. We expect the pace of China's growth to decelerate from 2017, given a tightening of monetary conditions. This is an outcome of a positive move to address regulatory arbitrage and risks in the financial system. We welcomed the emphasis on the quality of growth and addressing structural risk at the recent Party Congress. Nevertheless, the deceleration in Chinese growth is likely to act as a modest drag on global trade.

We remain mindful of the risk that the inflation may rise faster than expected which may lead to faster monetary policy normalization and stronger USD. Elsewhere, Europe political risks remain in Germany and Italy. Although we believe such risks should be contained and have a limited impact on markets, we believe risk management has become more important now given the higher valuation. Active asset allocation and risk management will therefore remain important for investors when looking for income.

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