

RHB ASIAN INCOME FUND - SGD

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:

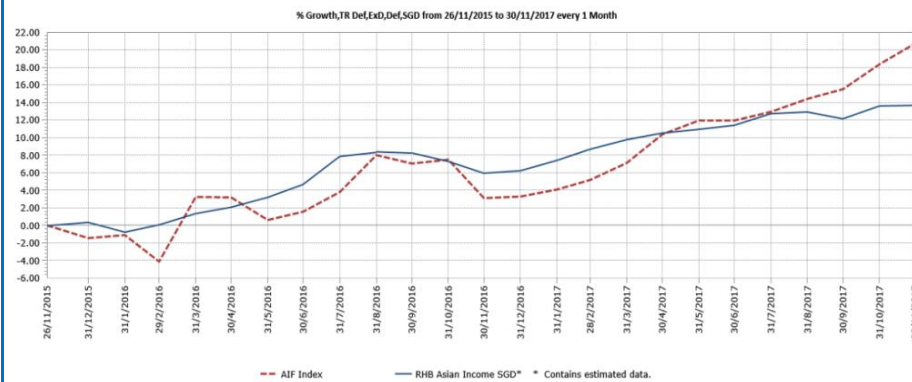
- 'Sophisticated Investor(s)' as defined in the Information Memorandum.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the class X units of the Target Fund.
- 2% - 5% of NAV: Investments in liquid assets including money market instruments and Placements of Cash.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

| | 1 Month | 3 Months | 6 Months | YTD |
|-----------|---------|----------|----------|-------|
| Fund | 0.06 | 0.67 | 2.46 | 7.01 |
| Benchmark | 1.98 | 5.50 | 7.83 | 16.88 |

| | 1 Year | Since Launch |
|-----------|--------|--------------|
| Fund | 7.30 | 13.63 |
| Benchmark | 17.09 | 20.71 |

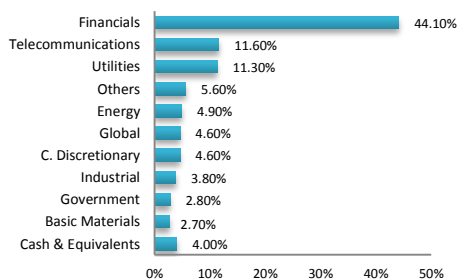
Calendar Year Performance (%)*

| | 2016 |
|-----------|------|
| Fund | 5.77 |
| Benchmark | 4.81 |

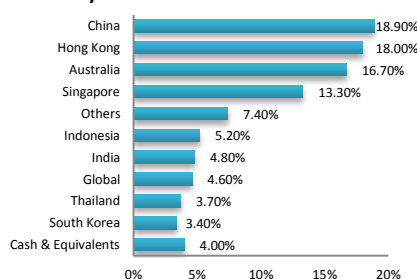
Source: Lipper IM

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 - 96.61%

FUND STATISTICS

Historical NAV (SGD)

| | 1 Month | 12 Months | Since Launch |
|------|---------|-----------|--------------|
| High | 1.0955 | 1.0955 | 1.0955 |
| Low | 1.0802 | 1.0337 | 0.9738 |

Source: Lipper IM

Historical Distributions (Quarterly) (Net)

| | Distribution (sen) | Yield (%) |
|-------------|--------------------|-----------|
| 21 Nov 2017 | 0.7600 | 0.70 |
| 22 Aug 2017 | 0.9000 | 0.83 |
| 23 May 2017 | 0.9000 | 0.84 |
| 20 Feb 2017 | 0.8000 | 0.80 |

Source: RHB Asset Management Sdn. Bhd.

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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 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.

DISCLAIMER:

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 Information Memorandum dated 5 November 2015 and its supplementary(ies) (if any) ("the Information Memorandum") before investing. The Information Memorandum 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 Information Memorandum relates will only be made on receipt of a form of application referred to in the Information Memorandum. The Fund are only offered to "sophisticated investor" as defined in the Information Memorandum. For more details, please call 1-800-88-3175 for a copy of the PHS and the Information Memorandum or collect one from any of our branches or authorised distributors.

The Manager wishes to highlight the specific risks of the Fund are management risk, liquidity risk and foreign investment risks such as currency risk and country risk and the specific risks of the target fund are market risk in Asia, credit risk, investment grade, below investment grade and unrated debt securities risk, risks relating to distributions, emerging markets and frontier risk and derivatives risk. These risks and other general risks are elaborated in the Information Memorandum.

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.

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