

### RHB DANA HAZEEM

The Fund aims to maximise total returns through a combination of long term growth of capital and current income consistent with the preservation of capital.

#### INVESTOR PROFILE

This Fund is suitable for Investors who:

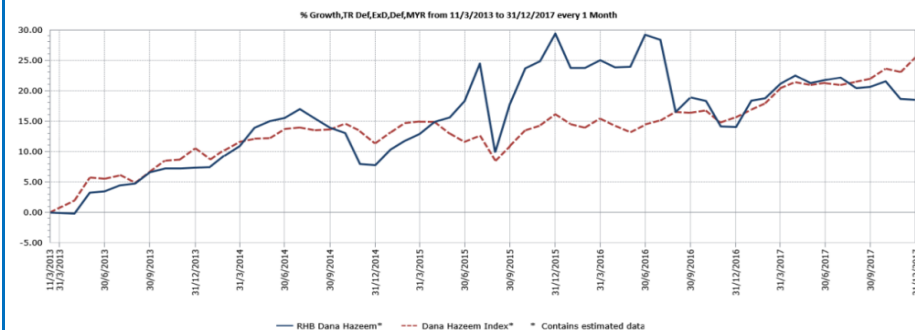
- require investments that comply with Shariah requirements; and
- are willing to accept moderate risk in their investments in order to achieve long term growth and income.

#### INVESTMENT STRATEGY

- 40% - 60% of NAV: Investments in Shariah-compliant equity and equity related securities of companies that have dividend and/or growth potential.
- 40% - 60% of NAV: Investments in Non-Equity Shariah-Compliant Investments.

#### FUND PERFORMANCE ANALYSIS

##### Performance Chart Since Launch\*



##### Cumulative Performance (%)\*

	1 Month	3 Months	6 Months	YTD
Fund	-0.12	-1.77	-2.66	3.94
Benchmark	2.03	2.94	3.53	8.56

	1 Year	3 Years	Since Launch
Fund	3.94	9.95	18.48
Benchmark	8.56	12.74	25.51

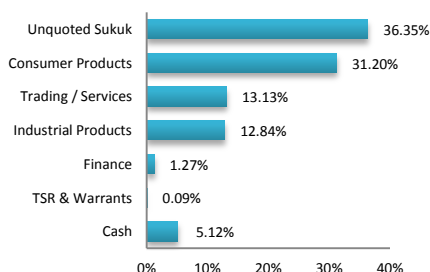
##### Calendar Year Performance (%)\*

	2017	2016	2015	2014
Fund	3.94	-11.88	20.04	0.35
Benchmark	8.56	-0.40	4.29	0.75

Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Top Holdings (%)\*

BANK MUAMALAT (M) BHD	5.8%	15.06.26	8.57
CAGAMAS BHD	3.95%	(26/10/2018)	7.70
BRIGHT FOCUS BHD	5.0%	(20/01/2023)	5.22
BRIGHT FOCUS BHD	2.5%	(24/01/2030)	5.22
LEBUHRAYA DUKE FASA 3,	5.86%	23/8/33	4.56

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.4829	0.5030	0.5826
Low	0.4776	0.4745	0.4721

Source: Lipper IM

##### Historical Distributions (Last 4 Years) (Net)

	Distribution (sen)	Yield (%)
20 Feb 2017	1.1000	2.18
25 Feb 2016	4.2500	7.90
26 Feb 2015	3.8000	6.98
26 Feb 2014	1.7000	3.25

Source: RHB Asset Management Sdn. Bhd.

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### MANAGER'S COMMENTS

#### MARKET REVIEW

##### Equity

Asia Ex Japan equities increased by 2.9% in December 2017, taking 2017 returns to 33.5%. China edged up 2.0% during the month, crossing the milestone of 50% returns for 2017, while Hong Kong rose 2.8% and Taiwan 0.4% in December 2017. India added 3.8% following the consolidation of power by the ruling Bharatiya Janata Party ("BJP") through victories in key state assembly elections. Association of Southeast Asian Nations ("ASEAN") countries had a strong run in December 2017 given the strength in commodities. Indonesia (+8.8%) benefitted from a sovereign ratings upgrade by Fitch Ratings. Singapore declined 0.24%, Thailand added 4.6%, and the Philippines 4.2%.

Domestically, the FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBMKLCI") ended at 1,796.81 points, increased by +4.6% on the month-on-month ("mom") basis, while on the year-to-date ("ytd") basis, it has increased by +9.5%. The strength in the benchmark index can be due better sentiments from rising oil prices, Ringgit strength and positive domestic economic backdrop. Brent Crude Oil price increased by +5.2% mom to U.S. Dollar ("USD") 66.87/barrel, while on the ytd basis, it has increased by +17.7% ytd. The oil price strength for the month can be due to lower United States of America ("U.S.") crude inventories, temporary shutdown of a key North Sea oil pipeline, and Libya's pipeline blast. The Malaysia Ringgit appreciated by 0.7% mom to reach RM4.0614/USD, while on the ytd basis, it has appreciated by 9.5%. The Ringgit strength can be due to rising oil price, and better domestic economic backdrop.

##### Fixed Income

US Treasury ("UST") yields bearish flattened with the longest 30y UST rallied 9bps from previous month's close as outcome from the Federal Open Market Committee (FOMC) meeting appropriately interpreted by the market as a dovish-hike. At close, the 2-, 5-, 10- and 30-year UST were last traded at 1.883% (November-2017: 1.782%), 2.206% (2.138%), 2.405% (2.410%) and 2.739% (2.827%) respectively.

On the local economic front, Malaysia's November 2017 Consumer Prices Index ("CPI") rose 3.4% from a year ago as expected by the consensus due to higher transport and food costs. Based on seasonally adjusted term, the overall CPI for November increased 0.7% as compared to October and core inflation rose 2.2% compared to a year ago. The Statistics Department said among the major groups which recorded increases in November were the indices for transport (+10.8%), food and non-alcoholic beverages (+4.0%), restaurants and hotels (+2.8%), household equipment (+2.5%), health (+2.2%) and housing, water, electricity, gas and other fuels (+2.2%). The average price of one liter of RON95 petrol was RM2.30 in November 2017 compared to RM1.95 a year ago. As for RON97, the average price increased to RM2.59 in November 2017 from RM2.30 a year ago. Nevertheless, the reading bias skewed towards tighter monetary conditions. That said, the government has mooted the idea of mitigating the impact of higher crude oil prices should the RON95 prices rise beyond RM2.50/liter for consecutive three months. If this is implemented, it would suggest some insulation of headline inflation from increases in global fuel prices.

#### MARKET OUTLOOK AND STRATEGY

##### Equity

Global growth will be sustained in 2018 supported by synchronised expansions in major economies like the United States of America ("U.S."), European Union ("E.U."), Japan, and China, while global monetary policies will remain accommodative. In the U.S., the Congress has passed the new tax reform legislation, which will induce business investments and add to its economic growth. The U.S. economy has been growing healthily, as reported, the Chicago Purchasing Managers' Index ("PMI") for December rose to 67.6, the highest level since March 2011. In Eurozone, growth remains broad-based, and the European Central Bank ("ECB") has lifted its economic growth forecasts to 2.4% this year, ahead of its previous guidance of 2.2%. Japan's economy is growing steadily and financial stimulus will remain in place to support growth. Despite concerns about debt and a property bubble, China's economic data showed robust growth in 2017 due to government spending on infrastructure and a pickup in the overall global macroeconomic environment.

Domestically, Malaysia's economic growth will remain robust going into 2018 supported by improving global growth and domestic demands. The positive economic backdrop will provide support for the equity market going forward, in addition to its undemanding valuation. In addition, the improvement of corporate earnings from its last two years of negative growth, strong domestic liquidity, stable Ringgit and an impending general election would continue to be supportive for the equity market.

In terms of strategy, we will continue to focus in value investing. Some of the factors that we look for in companies includes long term earnings visibility, derived from unique product offerings, capacity expansion or new market expansions, besides of their strong balance sheet, cashflows and attractive valuations that will benefit the fund in the longer term.

##### Fixed Income

Some of the most significant recent developments in the global economy are the broader higher growth, steady inflation and the rising Advanced Economy ("AE") policy rates. We continue to expect global economic outlook to largely characterized by these recent developments as the synchronized of global economy growth appears to be somewhat evidenced in recent major economies data and activities. However, after picking up quite sharply in 2017, we expect global nominal GDP growth to be moderate (not to the significant slowdown) due to higher base effects and the concentrated effort by central banks to raise policy rates could trigger slowdown in global growth as markets adjusting to a major tightening in financial conditions. With subdued inflation despite robust growth recently, financial imbalances appear to be building.

In 2018, expectation is for the handful of AE central banks to continue tightening path (US, UK, Canada, Australia and New Zealand) while global central banks purchases to fall from \$180bil per month to roughly zero by end-2018. Fed's balance sheet reduction should ramp up by end-2018 as planned to USD50bil per month. Given that, risk free asset supply will no doubt increase but not to a level that will derail the real economy recovery. Nevertheless, risk free assets corrections could still trigger or cause a global slowdown if the "forward guidance message" from central banks are significantly detached from the market participants.

Mirroring global growth trends, Malaysia's growth data has continuously surprised on the upside in 2017 with the recent 3rd Quarter GDP recorded 6.2%, the fastest quarterly growth since 2nd Quarter of 2014. Headline inflation is expected to be at the upper end of the forecast range of 3.5%-4.0% in 2017. Moving into 2018, headline inflation is projected to moderate at about 2.5%-3.5% on expectation of smaller effect from global cost factors. Nonetheless, from the mid-point of 3% inflation forecast in 2018, Bank Negara Malaysia ("BNM") hawkish stand recently will bring the real interest rates back into positive territory. We therefore expect BNM to hike 25bps in 2018 but further tightening in policy rates will broadly depending on the incoming data as well as trajectory of global monetary conditions. In term of strategy, we are neutral on duration with mildly bullish in expectation that local demand dynamics tend to be more constructive in the first quarter. As for the allocation, we overweight credit over government bonds for yield pick-up while strategically taking opportunity on the re-pricing rewards of government bonds.

#### DISCLAIMER:

Based on the fund's portfolio returns as at 15 December 2017, the Volatility Factor (VF) for this fund is 12.3 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are 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 3 August 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 market risk, particular security risk, reclassification of Shariah status risk, interest rate risk, credit/default 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.

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