

### RHB ASIAN REAL ESTATE FUND

This Fund aims to achieve a long term capital appreciation through investments in the real estate market.

#### INVESTOR PROFILE

This Fund is suitable for Investors who:

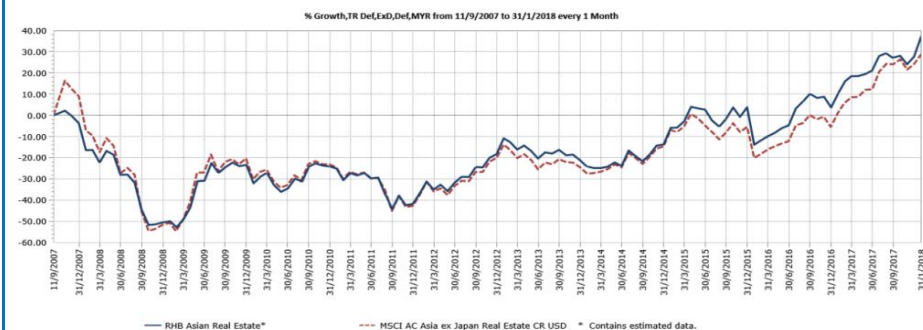
- wish to participate in the opportunities offered by the Asian real estate markets;
- are willing to accept moderate to high risk in their investments; and
- prefer capital growth rather than income over a long term period.

#### INVESTMENT STRATEGY

- Up to 98% of NAV (with at least 70% of NAV in equity): Investments in primarily Asian real estate securities and listed Real Estate Investment Trusts (REITs).
- 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	7.62	7.28	7.31	7.62
Benchmark	3.72	1.98	6.85	3.72

	1 Year	3 Years	5 Years	Since Launch
Fund	24.40	45.91	53.85	37.36
Benchmark	27.47	38.54	49.76	28.94

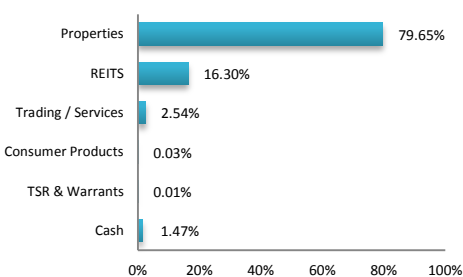
##### Calendar Year Performance (%)\*

	2017	2016	2015	2014	2013
Fund	22.97	0.04	20.18	9.37	-3.54
Benchmark	31.42	-0.05	11.03	13.08	-5.65

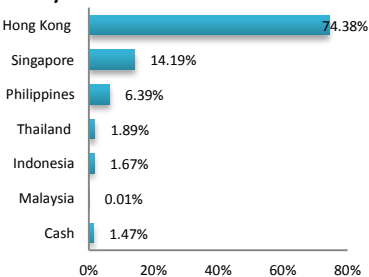
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



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

SUN HUNG KAI PROPERTIES LTD	9.38
CK ASSET HOLDINGS LTD	8.90
THE LINK REIT	6.68
CIFI HOLDINGS GROUP CO LTD	6.29
LONGFOR PROPERTIES	6.13

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6977	0.6977	0.6977
Low	0.6382	0.5513	0.2187

Source: Lipper IM

#### FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	Maybank Trustees Bhd
Fund Category	Equity Fund
Fund Type	Growth Fund
Launch Date	22 August 2007
Unit NAV	RM0.6868
Fund Size (million)	RM10.85
Units In Circulation (million)	15.80
Financial Year End	31 March
MER (as at 31 Mar 2017)	2.49%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	MSCI AC Asia-ex-Japan Real Estate Index (RM)
Sales Charge	Up to 5.00% 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.*
Switching Fee	RM25.00 per switch*
Redemption Period	Within 10 days after receipt the request to repurchase
Distribution Policy	Annually, 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.

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### MANAGER'S COMMENTS

#### MARKET REVIEW

China property shares extended their winning streak in January 2018. Although central government reiterated its vigilant view over the housing market in the Central Economic Work Conference earlier and hence policy relaxation is not around the corner, investors bet on strong January presales numbers for most listed developers. Outperformers were still the mid-cap names having strong saleable resources. However, those top-tier property names doing fund raising in the month were turned away by investors and so underperformed. On the macro side, national housing sales value jumped 21.2% year-on-year and 41.5% month-on-month for December last year, according to National Bureau of Statistics. The strong growth in value stemmed from a 16.2% year-on-year rise in average selling price. Such a big jump was by and large due to unusually low base in December 2016 caused by a mix shift towards lower cities.

Hong Kong property ended higher but lagged behind mainland Chinese names. Outperformers were those having potentials of corporate restructurings, such as privatisation and asset disposals. Property developers advanced, backed by consistent rise in secondary home prices, favourable land sales results, and easing interbank interest rate. Landlord names ended mixed. Retail landlords managed to edge higher while H-REITs eased on the sharp rise in the long-end US treasury yield. Centa-City Index, the benchmark of the secondary home prices in HK, ended 13% higher for the full-year 2017, making nine straight years of upsurge since 2009.

ASEAN property shares ended mixed in November, and country rotation appeared more obvious than that in the preceding months. Indonesia, which had been the lagged throughout 2017, became the top performers. S-REITs remained resilient given positive guidance was seen in the cyclical industrial and office sectors. On the other hand, Philippines slid on the heels of weaker Peso.

#### MARKET OUTLOOK AND STRATEGY

We maintained our positive view China property sector. Undemanding valuation and strong sales growth outlook remain the two main positive factors for the sector. The listed developers recorded over 50% years-on-year growth in presales in January 2018 against a high base a year ago, according to some property research firms. Listed developers are likely to maintain rapid growth momentum than unlisted peers due to the formers' market share gain. On the earnings side, market will start to factor in the upside surprise during the next reporting season in March. At the moment, we still prefer large-cap names having solid market share, or mid-cap names with low valuation and high dividend yield.

We have turned positive on Hong Kong property sector. Interbank interest rate has come off significantly while inflation has heated up, which would keep the real interest rate in check for a longer while. Housing demand in both primary and secondary segments is expected to remain very firm, which would lend further support to home prices. Upon the sharp rally in mainland Chinese developer stocks, the valuation discount for China against Hong Kong names has narrowed, which would make investors switch into Hong Kong from China property names. At the moment, we still prefer developers with strong balance sheets, abundant farmland reserves or enlarged recurring incomes from overseas projects. We also favour retail landlords as most listed retailers have reported strong monthly sales data, indicating a recovery in the overall domestic retail sales.

We remain selective in ASEAN property stocks. We keep our positive view over Philippines and Thailand. For Philippines, strong economic growth, tax cuts and increasing foreign interest are supportive of real estate activities. For Thailand, we see a recovery signal for the residential property sector, which would be well supported by increased banks' appetite on mortgage. We also like Singapore where the recovery in the physical market continues to broaden. We expect higher selling prices and more land acquisitions to drive developer NAVs in this year. On relatively basis, we are neutral over Indonesia. Although pent-up housing demand has been built up gradually after several years of falling home prices, developers' presales momentum remain rather tepid. Rebound in the sector recently makes valuation less attractive.

#### DISCLAIMER:

Based on the fund's portfolio returns as at 15 January 2018, the Volatility Factor (VF) for this fund is 16.1 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are more than 10.6 (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 31 December 2017 which is calculated once every six months and is valid until its next calculation date, i.e. 30 June 2018.

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 September 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 of the Fund are real estate risk, foreign investment risks such as country risk and currency risk and equities investment risks such as market risk and particular security 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.