3-year Fund Volatility 12.3 very high Lipper Analytics 15 JAN 2018

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

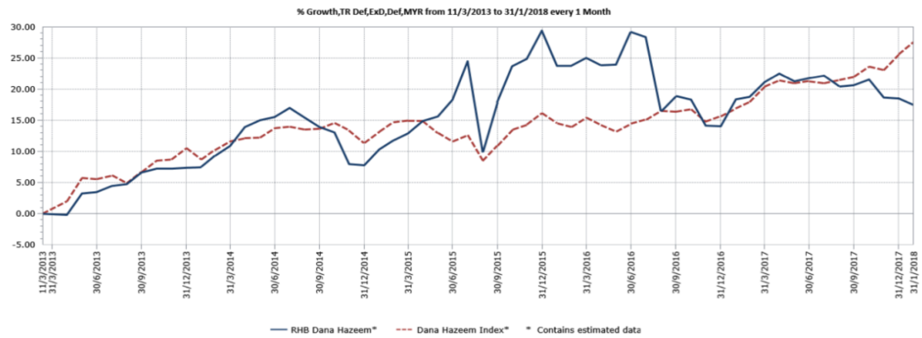
This Fund is suitable for Investors who:
- require investments that comply with Shariah requirements; and
- are willing to accept moderate risk in their investments in order to achieve long-term growth and income.

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	**-0.91**	**-3.40**	**-3.86**	**-0.91**
Benchmark	1.59	3.20	5.44	1.59

	1 Year	3 Years	Since Launch
Fund	**-0.77**	**6.42**	**17.40**
Benchmark	9.11	12.71	27.51

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 DETAILS

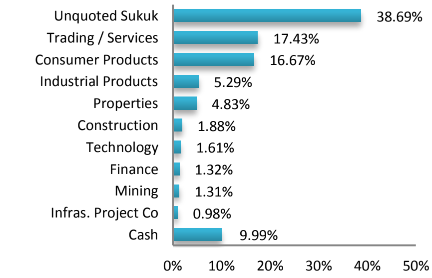
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Balanced Fund (Shariah-compliant)
Fund Type	Income and Growth Fund
Launch Date	18 February 2013
Unit NAV	RM0.4779
Fund Size (million)	RM55.13
Units In Circulation (million)	115.36
Financial Year End	28 February
MER (as at 28 Feb 2017)	1.79%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	50% FBM Emas Shariah Index + 50% Maybank 12-month Islamic FD
Sales Charge	Up to 6.38% of investment amount*
Redemption Charge	None
Annual Management Fee	1.50% 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	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.*

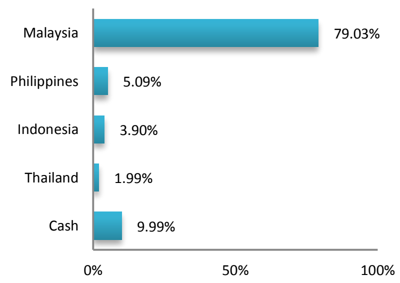
**For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

BANK MUAMALAT (M) BHD 5.8% 15.06.26	9.12
CAGAMAS BHD 3.95% (26/10/2018)	8.18
BRIGHT FOCUS BHD 2.5% (24/01/2030)	5.56
BRIGHT FOCUS BHD 5.0% (20/01/2023)	5.55
UMW HOLDINGS BHD	4.95

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.4945	0.5030	0.5826
Low	0.4779	0.4776	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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RHB Asset Management

FUND FACTSHEET – FEBRUARY 2018

All data expressed as at 31 January 2018 unless otherwise stated

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MANAGER'S COMMENTS

MARKET REVIEW

Equity

For the month of January 2018, global equity did well despite 10-year US treasury yields climbing sharply from 2.4% to 2.7% in January 2018. Global equity markets started the year in 2018 rising 5.6% during the month. Rising 2018 Earnings Per Share ("EPS") growth expectations and synchronized growth are driving a strong risk-on sentiment across the world. Meanwhile, Asia Ex-Japan equities (+7.5%) were primarily driven by the surge in Chinese equities (+12.5%) as Q4 Gross Domestic Product ("GDP") growth of 6.8% year-on-year ("YoY") as well as the trade surplus beat estimates. Semiconductor foundries, led by index heavyweight Taiwan Semiconductor Manufacturing Co Ltd ("TSMC") (+13.0%), propelled Taiwan (+7.6%) on anticipation of strong demand for high-end chips from cryptocurrency market players.

The FBMKLCI started the year strong up +3.99% on the back of heightened foreign interest in the market. Foreign investors were net buyers and bought RM3.4 billion worth of shares in January 2018. Average market volume for the month surged to RM4.5 billion shares/day versus last year's average daily of 2.5 billion shares. Bank Negara Malaysia ("BNM") announced a 25 basis points Overnight Policy Rate ("OPR") hike on January 25, 2018 and banking sector were viewed as the beneficiaries from rising interest rate. Meanwhile, the Malaysian Ringgit hit a new high since April 2016 when it reached RM3.8890 per United States Dollar ("USD") while the FBMKLCI reached a near 3-year high of 1,870 points on 29th January 2018. The local bourse rallied in tandem with regional markets which all ended on a strong positive note at month end.

The best performing sector for the period was the Finance Index. Biggest movers were CIMB (+10.86%), Public Bank (+5.77%) and Hong Leong Bank (+9.41%). Most banking stocks continued the positive momentum from December 2017, on the back of foreign buying into banking stocks. The property sub-index was the worst performer for the period, with -1.96% return for the period. The biggest laggards were SP Setia (-22.25%). On the other hand, the rate hike by BNM dampened sentiments on property stocks as investors turned cautious that the rate hike would further dampen the already weak property market. The property sector was also impacted late last year after government imposed a ban on the development of luxury properties in a move to control the oversupply of properties in the market.

Fixed Income

Concentration of the market was mainly on the first major central bank meetings of the year, the Bank of Japan ("BOJ"), European Central Bank ("ECB") and Federal Reserve ("the Fed"). As expected, respective policymakers maintained their benchmark rates where BOJ and ECB were seen cautious, attributed to soft inflation, while both showed little signs of immediate withdrawal from their accommodation stance. The Fed also left its short-term rates unchanged at Janet Yellen's final Federal Open Market Committee ("FOMC") meeting as chair. Nevertheless, gradual tightening path remains unlikely to deviate under new Fed Chair Jerome Powell while prospect for a March rate hike seems certain at this juncture (Fed funds futures trading implied higher probability of a rate hike up from 86.7% to 90.4%). United States Treasuries ("UST") surged by more than 20 basis points ("bps") in January 2018, led by short dated 2-year UST before eventually flowing into longer dated papers. Sell-off was partially driven by higher inflationary pressure on top of worries over ballooned US budget deficit in 2019 boosted by the tax cut plan. In summary UST 2-, 5-, 10- and 30-year closed the month at 2.14% (December 2017: 1.88%), 2.51% (2.20%), 2.71% (2.41%) and 2.93% (2.74%) respectively.

Over in Malaysia, Bank Negara Malaysia ("BNM") raised Overnight Policy Rate ("OPR") by 25bps to 3.25% as part of normalisation plan. The reason cited for this increase was a pre-emptive move to prevent the build-up of risk that could arise from low interest rates for a prolonged period of time. Malaysian Ringgit ("MYR") surged as Malaysia Government Securities ("MGS") consolidated in line with global yield curves that were pressured upwards, especially in the belly of the curve. Government bonds/ sukuk underperformed over the month at 0.16% with other segments seeing stronger performances. At close, the 3-, 5-, 7-, 10-,15-, 20- and 30-years MGS last traded at 3.35% (December 2017: 3.32%), 3.64% (3.53%), 3.93% (3.88%), 3.96% (3.91%), 4.40% (4.39%), 4.61% (4.54%) and 4.86% (4.86%) respectively. Government Investment Issue ("GII") closed mix compared to MGS levels with the 3-, 5-, 7-, 10-, 15-, 20- and 30 years closed at 3.57% (December 2017: 3.43%), 3.88% (3.79%), 4.08% (4.10%), 4.17% (4.19%), 4.53% (4.65%), 4.78% (4.77%) and 4.95% (4.98%) respectively.

Foreign ownership of Malaysian bonds/ sukuk rose MYR2.65 billion in December 2017 with government debt saw a stronger inflow of MYR4.69 billion. This brings the foreign ownership of MGS up to 45.1% from 44.3% and the GII to 6.9% from 6.8%. Total foreign ownership in government debt climbed by MYR2.2 billion to MYR182.9 billion (up to 28.9% from 28.4% previously).

On economic data releases, the Nikkei Malaysia manufacturing Purchasing Managers Index ("PMI") fell to 49.9 in December 2017 from 52.0 in November 2017. The goods production sector was reported to show weak demand for the month from the domestic markets though international demand for Malaysian goods continued to improve. Malaysia exports grew 14.4% year-on-year ("YoY") in November 2017 albeit easing from 18.8% the previous month. The stronger Malaysian Ringgit translated into lower export values, contributing to the slower growth. Imports on the hand slowed to 15.2% YoY November 2017 from 20.9% the previous month. As imports outpaced exports on a month-on-month ("MoM') basis, the trade surplus narrowed to MYR9.9 billion in November 2017 from MYR10.4 billion the previous month. BNM announced its international reserves grew to USD103 billion as at 15 January 2018 against USD102.4 billion as at 29 December 2017, sufficient to finance 7.1 months of retained imports and 1.1x the short term external debt. Malaysia headline Consumer Price Index ("CPI") rose to 3.5% YoY in December 2017 in line with Reuters poll forecast (November 2017: 3.4%) on higher cost of transport, food and non-alcoholic beverages. This brings 2017 full year inflation at 3.7% within BNM's forecast range of 3-4%.

The year 2018 started with a strong primaries where we saw a combined MYR9.56 billion issuances for the month compared to MYR1.5 billion in January 2017. The first bond/ sukuk issued for the year by WCT Holdings Berhad (AA-) with MYR100 million of 7-year sukuk at 5.55%, 167bps over 7-year benchmark MGS at issuance. This is followed by Edra Energy Sdn Bhd (AA3) issuing MYR5.085 billion sukuk with maturities ranging from 4 to 20 years. The sukuk issued at profit rates between 5.61% to 6.71%. We also saw Perbadanan Tabung Pendidikan Tinggi Nasional ("PTPTN") (Government Guaranteed) issued a 15 year MYR500 million sukuk at 4.90%, 45bps above 15 year MGS benchmark. Danga Capital (AAA) also issued MYR1.5 billion 15 year sukuk at 4.94%, 50bps over 15 year benchmark at issuance.

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