

### RHB THEMATIC GROWTH FUND

This Fund aims to provide investors with medium to long term capital appreciation through investments in securities of Malaysian companies that will benefit from evolving domestic and/or global trends.

#### INVESTOR PROFILE

This Fund is suitable for Investors who:

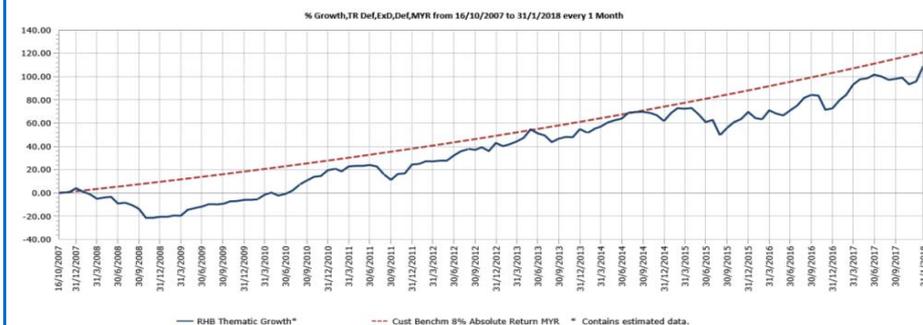
- seek participation in Malaysian companies that will benefit from evolving domestic and/or global trends;
- seek a dynamic and flexible investment mandate;
- prefer capital growth rather than income over a medium to long term period; and
- are willing to accept moderate risk in their investments.

#### INVESTMENT STRATEGY

- Up to 98% of NAV: Investments in equity and equity-related securities of Malaysian companies that will benefit from evolving domestic and/or global trends.
- 2% - 100% of NAV: Investments in fixed income securities, money market instruments, cash & deposits with financial institutions.

#### FUND PERFORMANCE ANALYSIS

##### Performance Chart Since Launch\*



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

	1 Month	3 Months	6 Months	YTD
Fund	6.72	5.05	4.61	6.72
Benchmark	0.66	1.96	3.96	0.66

	1 Year	3 Years	5 Years	Since Launch
Fund	16.44	24.05	49.26	109.26
Benchmark	8.00	25.97	46.93	120.82

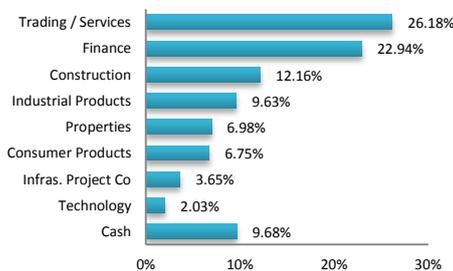
##### Calendar Year Performance (%)\*

	2017	2016	2015	2014	2013
Fund	13.58	1.92	4.69	4.44	8.35
Benchmark	8.00	8.00	8.00	8.00	8.00

Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



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

DRB HICOM BHD	9.63
ECONPILE HOLDINGS BHD	8.20
CIMB GROUP HOLDINGS BHD	6.83
PUBLIC BANK BHD	5.99
AIR ASIA BHD	5.84

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.2643	0.2685	0.3153
Low	0.2454	0.2361	0.1912

Source: Lipper IM

##### Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)	Yield (%)
20 Dec 2017	1.2000	4.69
28 Dec 2016	1.1000	4.61
16 Dec 2015	1.9650	8.01
16 Dec 2014	4.0000	14.08
27 Dec 2013	3.3766	11.40

Source: RHB Asset Management Sdn. Bhd.

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### MANAGER'S COMMENTS

#### MARKET REVIEW

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 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 GDP growth of 6.8% YoY as well as the trade surplus beat estimates. Semiconductor foundries, led by index heavyweight 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 RM3.4bn worth of shares in January 2018. Average market volume for the month surged to RM4b.5n shares/day vs last year's average daily of 2.5bn shares. BNM announced a 25bps OPR hike on January 25, 2018 and banking sector were viewed as the beneficiaries from rising interest rate. Meanwhile, the ringgit hit a new high since April 2016 at 3.8890 while the FBMKLCI reached a near 3-year high of 1870 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%), PBK (+5.77%) and HLBK (+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, declining -1.96%. 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 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.

#### MARKET OUTLOOK AND STRATEGY

The sharp increase in the 10-year US Treasury yield created fear among the investors on the pace and quantum of the US interest rate hike. The sharp rise in the 10-year US Treasury yield from 2.40 on 1st January 2018 to 2.86 as of 8th February 2018 signals higher than expected interest rate increase in the US. The higher than expected interest rate hikes would impact negatively on US corporate earnings and consumer spending going forward.

This has caused the sharp drop in the index in the beginning of Feb 18. However, we believe the drop in the index has brought the valuation level back to an attractive level for S&P 500 stocks. The index has come down to an attractive level now and is trading below November 2016 valuation level.

We are of the view that Malaysia's corporate earnings growth of 6% is achievable in 2018 due to strong economy. However, the negative sentiment in the US is also expected to drag the index lower. The index touched the low of 1792 level on 4 February 2018 which was also close to the mean valuation of KLCI. We believe the KLCI performance will be volatile in the short term. We would expect the index to be well supported above 1790 level. We would take the opportunity to accumulate strong fundamental blue chip stocks on market weakness. We believe the index would go back to 1,870 level once the US stock market's volatility starts to disappear as investors would have priced in higher interest rate expectations.

#### DISCLAIMER:

Based on the fund's portfolio returns as at 15 January 2018, the Volatility Factor (VF) for this fund is 10.5 and is classified as "High". (source: Lipper) "High" includes funds with VF that are above 8.0 but not 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 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 securities risk, interest rate risk and 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.