

RHB FOCUS INCOME BOND FUND – SERIES 7

The Fund aims to maximise returns at the Maturity Date from a concentrated portfolio of global debt instruments.

INVESTOR PROFILE

This Fund is suitable for Investors who:

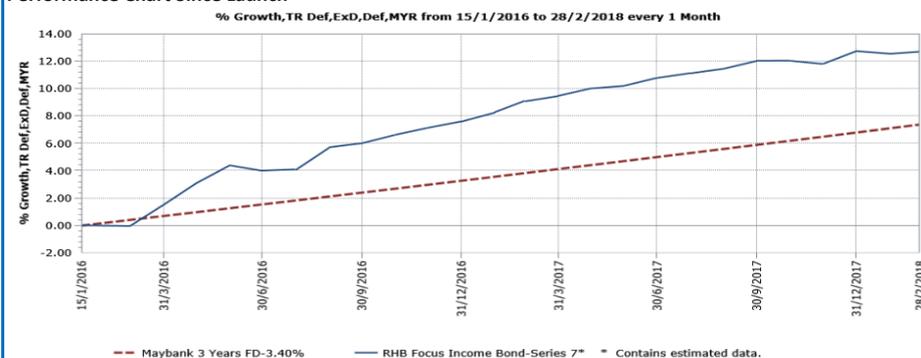
- have a moderate risk appetite;
- seek returns from the income accumulated and/or capital appreciation from a global debt instruments portfolio; and
- have a medium term (i.e. 3 years) investment horizon.

INVESTMENT STRATEGY

- 90% - 100% of NAV: Investments in global debt instruments, of which at least 70% of NAV in bonds.
- Up to 10% of NAV: Investments in liquid assets including money market instruments and Deposits.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	0.14	0.81	1.12	-0.03
Benchmark	0.26	0.83	1.67	0.54

Calendar Year Performance (%)*

	1 Year	Since Launch
Fund	3.32	12.70
Benchmark	3.40	7.36

Calendar Year Performance (%)*

	2017
Fund	4.79
Benchmark	3.40

FUND DETAILS

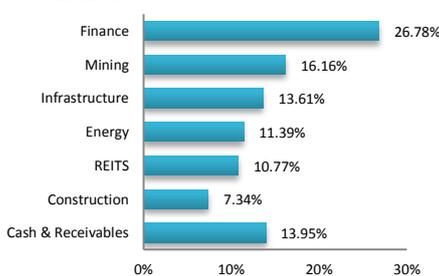
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Bond Fund (Closed Ended)
Fund Type	Income Fund
Launch Date	23 November 2015
Maturity Date	15 January 2019
Unit NAV	RM1.0381
Fund Size (million)	RM36.75
Units In Circulation (million)	35.40
Financial Year End	31 January
MER (as at 31 Jan 2017)	0.11%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM1,000.00
Benchmark	3-years FD rate by Maybank
Sales Charge	Up to 3.00% of investment amount*
Redemption Charge	< 3 years 1%* Maturity Nil
Annual Management Fee	None
Annual Trustee Fee	0.05% p.a. of NAV*
Switching Fee	Not available
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.

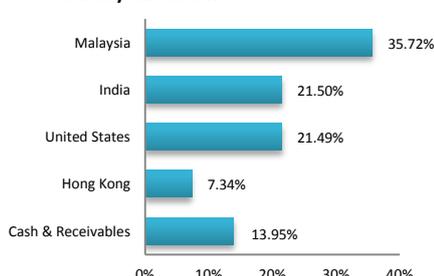
*For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

JSW STEEL LTD	16.17
PLUS BERHAD (AAA)	13.61
MAJAPAHIT HOLDING (BAA3)	11.39
ALDAR (BAA3)	10.77
TURKIYE IS BANKASI	10.72

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.0345	1.0821	1.0917
Low	1.0331	1.0331	0.9896

Source: Lipper IM

Historical Distributions (Last 2 Years) (Net)

	Distribution (sen)	Yield (%)
29 Jan 2018	4.6500	4.65
20 Feb 2017	4.6500	4.65

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS
MARKET REVIEW

US Treasury (“UST”) yields continue to drift higher during the month of February 2018 as market participants were caught surprised by better than expected jobs report at the early part of the month while the affirmation of a hawkish Federal Open Market Committee (“FOMC”) minutes further saw the benchmark 10-year UST yield rose to its high of 2.95% for the first time in four years. With market already pricing in the first hike of the year in this upcoming FOMC meeting in March 2018, UST yields curve steepened with the longer curve of 10-year and 30-year closed higher at about 16 basis points and 19 basis points accordingly compared to previous month’s closing. At the end of February close, the 2-, 5-, 10- and 30-year UST were last traded at 2.250% (January-2018: 2.141%), 2.640% (2.514%), 2.861% (2.705%) and 3.124% (2.935%) respectively.

On economic data release, the Institute of Supply Management (“ISM”) Manufacturing Index dropped from recent peak but remains strong in January. The ISM index slipped to 59.1% in January 2018 from 59.3% reading in December 2017. That is still above the 57.4% average reading for 2017 and well above the 50.0% level that marks expansion in manufacturing sector. Economists polled by MarketWatch expected a reading of 58.6%. Beneath the headlines, the details reveal a cooling off from ultra-high levels but still a healthy expansion. The new orders index dipped just 2 points to 65.4% in January 2018 from a reading of 67.4% in previous month. The ISM Manufacturing index continues to defy market’s expectation for a pullback from a very high reading while the solid print at the start the year will reinforce market confidence that solid Gross Domestic Product (“GDP”) is likely to continue in 2018. At the early part of the month, the Nonfarm Payrolls (“NFP”) in the United States was released and the NFP number for January 2018 has appeared to be stronger than expected and much higher than the numbers recorded in the month of December 2017. The NFP in January added 200,000 new jobs against 180,000 consensus estimate. The most important takeaway from the jobs report was the unexpected strength in year-on-year wage growth which recorded 2.9% versus 2.6% estimated by consensus. On the inflation, the United States Consumer Price Index (“CPI”) rose 0.5% in January 2018, considerably more than projections of a 0.3% by market consensus. Headlines CPI rose 2.1% on an annualized basis against 1.9% expected while core CPI increased 1.8% against estimates of 1.7%. The strength in core CPI reflects transitory factor which is a pop in apparel prices but also indicating a more persistent firming. Following the release, markets priced in a higher possibility for a third-rate hike before the end of the year. Investors were watching the reports very closely after fears of surging inflation send the stock market lower and the bond yields higher. A strong rise in inflation would also send borrowing costs higher and could cut into corporate profits. Towards the end of the month, the Federal Reserves (“Fed”) has released minutes from its FOMC which was held in January 2018. The FOMC minutes from the January meeting endorsed that the strong growth reflects an upgraded outlook that makes officials more confident in continuing to raise rates but not a major shift towards a more hawkish policy in our opinion. In other words, strong growth makes the three hikes implied by the median 2018 dot plots as more likely than shifting to four, 25 basis points hikes in 2018. The minutes also emphasize that even with the stronger growth, Fed officials are likely to expect only a gradual firming of prices and consequently only increase policy rates gradually.

DISCLAIMER:

As this is a close-ended fund, units are no longer available for sale on the basis of the Prospectus dated 23 November 2015. 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 Prospectus dated 23 November 2015 and its supplementary(ies) (if any) (“the Prospectus”) before investing. The 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 Prospectus relates will only be made on receipt of a form of application referred to in the Prospectus. For more details, please call 1-800-88-3175 for a copy of the PHS and the Prospectus or collect one from any of our branches or authorised distributors.

The Manager wishes to highlight the specific risks factors of the funds are credit/default risk, currency risk, interest rate risk, Country risk, inflation/purchasing power risk, concentration risk, mismatch risk. These risks and other general risk are elaborated in the 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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