

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	-1.15	-0.72	-0.35	-0.72
Benchmark	-1.63	-4.85	-4.71	-4.85

	1 Year	3 Years	5 Years	Since Launch
Fund	7.08	30.32	50.86	26.72
Benchmark	8.95	24.56	48.30	18.28

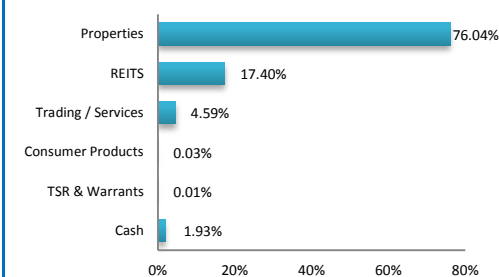
Calendar Year Performance (%)*

	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

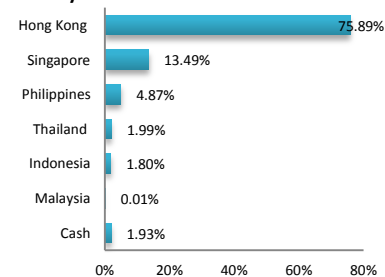
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

CK ASSET HOLDINGS LTD	8.70
SUN HUNG KAI PROPERTIES LTD	8.19
LONGFOR PROPERTIES	7.20
THE LINK REIT	7.15
SHIMAO PROPERTY HLDGS LTD	5.98

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6610	0.6977	0.6977
Low	0.6304	0.5828	0.2187

Source: Lipper IM

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MANAGER'S COMMENTS

MARKET REVIEW

China property shares ended mixed in March, but generally outperformed the broad market. Strong earnings results for the year 2017 were well perceived by investors, which fuelled share price performance. However, some small-scale developers had suffered from higher financing costs which restrained their relative performance. On the macro front, according to National Bureau of Statistics, during the first two months of this year, nationwide residential property sales volume increased by only 2.3% year-on-year while sales value managed to grow 16% year-on-year, indicating a consistent increase in home prices.

Hong Kong property shares fell for the second consecutive months in March, and underperformed their mainland Chinese peers. Although most developers reported solid fiscal year 2018 results on better development margins and faster sales growth in mainland China, investors still considered rising US interest rate as the main negative factor. On the macro front, Hong Kong home price remained firm. Centa-City Leading Index, the benchmark for the secondary home price in town, kept hitting new high in March after rising 2.4% from February.

ASEAN property shares ended mixed in March. S-REITS fared better as bond yields retraced 10bps. Singapore developers also advanced as initial signs are encouraging for presales in this year. Pricing has been firm with pre-launch demand for the new launches looking strong. Indonesian developer stocks dipped in March, giving up the gains in February, mainly hit by macro worries and concerns of weaker Rupiah.

MARKET OUTLOOK AND STRATEGY

We maintain our positive view over China property sector. The top developers have seen sales growth slowdown in March and the overall presales data was slightly below our expectation. We believe lower sell-through rates driven by monetary tightening were likely to blame. For the listed companies, the average sales growth for March is 16%, higher than the industry average of 9%. Therefore, we reiterate that listed developers are likely to maintain rapid growth momentum than unlisted peers due to the formers' market share gain. Asset churn could be even faster for listed developers due to better capital redeployment. 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 to hold neutral view on Hong Kong property sector. Although housing demand in both primary and secondary segments is expected to remain very firm. The rising interbank interest rate, as a result of weaker Hong Kong dollar under the USD peg regime, will eventually affect the mortgage rates and so homebuyers' affordability. Currently, we still prefer developers with strong balance sheets, abundant farmland reserves or enlarged recurring incomes from overseas projects. We also favour retail landlords given very encouraging retail sales data for March.

We remain selective in ASEAN property stocks. We keep our positive view over Philippines and Singapore. For Philippines, we have turned to be more positive on landlords, and we are still positive on large developers with exposure in urban areas outside Metro Manila where demand growth is strongest. We like Singapore where the recovery in the physical market continues to broaden while upcoming supply will fall short of the historical take-up rate. We maintain neutral on Indonesia. Although presales and guidance from developers have improved and pent-up demand is beginning to build up, issues on ample supply and uncertain political outlook remain the overhang for this year. Investment appetite for the mid to high-end segment also stays very weak.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 March 2018, the Volatility Factor (VF) for this fund is 16.5 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.