

RHB DANA ISLAM

This Fund aims to provide investors with above average capital growth over a medium to long-term period by investing in a carefully selected portfolio of stocks which complies with the Shariah principles.

INVESTOR PROFILE

This Fund is suitable for Investors who:

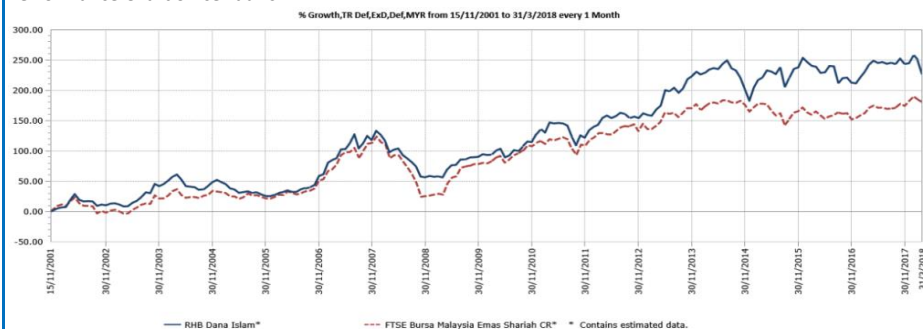
- are looking for investments in a diversified portfolio of assets that comply with Shariah requirements;
- are willing to accept moderate to high risk in their investments; and
- prefer capital growth rather than income over a medium to long-term period.

INVESTMENT STRATEGY

- 90% - 98% of NAV: Investments in Shariah-compliant equity and equity related securities of companies that have good growth potential.
- 2% - 10% of NAV: Investments in Shariah-compliant liquid assets comprising of cash and Islamic deposits with financial institutions, Islamic accepted bills, sukuk, cagamas sukuk, Government Investment Issues and any other Shariah-compliant instrument capable of being converted into cash within seven (7) days.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

| | 1 Month | 3 Months | 6 Months | YTD |
|-----------|---------|----------|----------|-------|
| Fund | -6.67 | -5.29 | -4.89 | -5.29 |
| Benchmark | -1.47 | -0.54 | 3.39 | -0.54 |

| | 1 Year | 3 Years | 5 Years | Since Launch |
|-----------|--------|---------|---------|--------------|
| Fund | -4.66 | 1.60 | 21.47 | 226.48 |
| Benchmark | 3.27 | 0.83 | 16.50 | 180.42 |

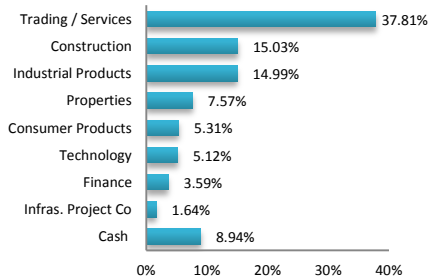
Calendar Year Performance (%)*

| | 2017 | 2016 | 2015 | 2014 | 2013 |
|-----------|-------|--------|-------|--------|-------|
| Fund | 10.66 | -11.91 | 25.01 | -14.38 | 25.95 |
| Benchmark | 10.72 | -6.14 | 2.35 | -4.17 | 13.29 |

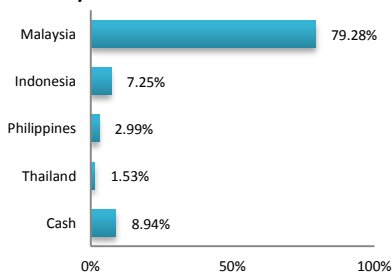
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

| | |
|----------------------------------|------|
| TENAGA NASIONAL BHD | 4.21 |
| LOTTE CHEMICAL TITAN HOLDING BHD | 4.06 |
| SERBA DINAMIK HOLDINGS BHD | 3.87 |
| BIMB HOLDINGS BHD | 3.59 |
| IHH HEALTHCARE BHD | 3.52 |

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

| | 1 Month | 12 Months | Since Launch |
|------|---------|-----------|--------------|
| High | 0.9169 | 0.9515 | 1.0965 |
| Low | 0.8342 | 0.8342 | 0.4737 |

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

| | Distribution (sen) | Yield (%) |
|-------------|--------------------|-----------|
| 22 Mar 2018 | 2.2000 | 2.42 |
| 20 Apr 2017 | 1.7500 | 1.90 |
| 28 Mar 2016 | 6.6000 | 6.89 |
| 15 Apr 2015 | 6.5000 | 6.49 |
| 27 Mar 2014 | 6.6000 | 6.54 |

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

MARKET REVIEW

Global stock markets came under pressure in March 2018 on fears over escalating trade tensions. The selling has been most marked in the last 24 hours following President Trump's announcement that tariffs of United States Dollar ("USD") \$60 billion ("bn") would be imposed on Chinese imports. Japan's Nikkei 225 index suffered the steepest declines. Large exporters play a significant part in the Japanese economy and there are concerns that they could be caught up in any United States ("US")-China trade war. Elsewhere, China and Hong Kong equities have unsurprisingly also borne the brunt of the selling pressure. Eurozone and United Kingdom equities have escaped the worst of the selling. European Union, and others including Canada and Mexico, will be exempt from the new tariffs being applied by the US on steel (25%) and aluminium (10%). The technology supply chain is probably the most global and any trade tariff or restrictive trade practices are likely to be prima facie negative. Hence, for the month of March 2018, technology sector was heavily sold down.

FTSE Bursa Malaysia KLCI ("FBMKLCI") outperformed amid broader market weakness. This was largely driven by big-cap banks (Public Bank and Maybank) and big cap consumer products like Nestle which were sought after by foreigners and locals. The broader small and medium capitalisation stocks has suffered from risk aversion amid risk of trade war and election uncertainty. The FBMKLCI started the month weak, after President Trump announced the steel and aluminium import tariff decision. The FBMKLCI rebounded, closing the day positively (+0.9%) on 12 March 2018, buoyed by consumer and oil and gas stocks as concerns on trade war waned. However, concerns over increased trade protectionism on the sudden dismissal of US Secretary of State, Rex Tillerson who is a free trade advocate led the index to decline on 15 March 2018 (-0.63%). The market recovered on continuous foreign buying over the next few days. On a month-on-month ("MoM") basis, the index closed slightly higher by +0.39%. Year-to-date ("YTD"), the FBMKLCI is the best performing index.

On the economic front, the headline inflation rate slowed to 1.4% year-on-year ("YoY") in February 2018 (+2.7% in January 18) – the lowest in 16 months. Additionally, Bank Negara Malaysia ("BNM") raises 2018 growth forecast to 6% from 5.5%.

MARKET OUTLOOK AND STRATEGY

With US midterm elections scheduled for November 2018, there is increased incentive for President Trump to deliver on campaign pledges. There is therefore more to come. President Trump has ordered the US Trade Representative to propose a list of product tariff increases and to consider further tariffs on goods from China.

Malaysia is vulnerable in the event of a protracted trade war. Gross export accounts for approximately 73% of the Malaysian Gross Domestic Product ("GDP") in 2017. Meanwhile, electronics and electrical ("E&E") goods account for 37% of Malaysia's export. In the event of a full-blown trade war between the US and China, Malaysia would likely be adversely affected, particularly the E&E sector.

As for small and medium capitalisation stocks, present broad market weakness presents accumulation opportunity but caution and patience are required. Amid trade war uncertainty and rising interest rate, equity risk premium is unlikely to get any lower. As such, the days of buying high and selling higher on valuation expansion are over. We will continue to focus on fundamentals and valuation.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 March 2018, the Volatility Factor (VF) for this fund is 11.2 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 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 of the Fund are 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.