

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:

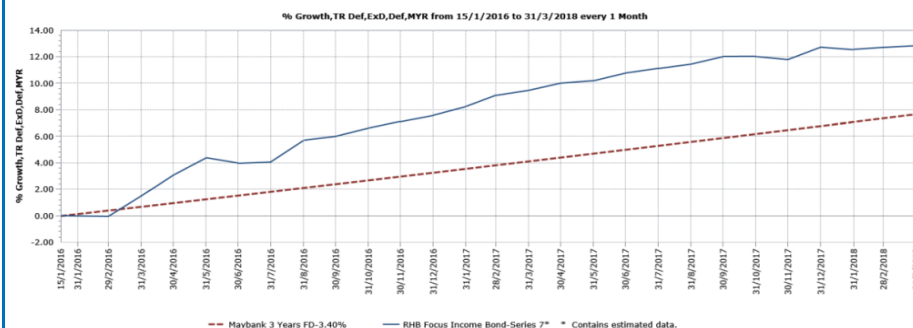
- have a moderate risk appetite;
- seek returns from the income accumulated and/or capital appreciation from a global debt instruments portfolio; and
- have a medium term (i.e. 3 years) investment horizon.

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	0.12	0.08	0.73	0.08
Benchmark	0.28	0.83	1.68	0.83

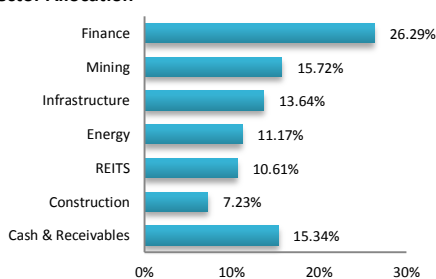
	1 Year	Since Launch
Fund	3.08	12.83
Benchmark	3.40	7.66

Calendar Year Performance (%)*

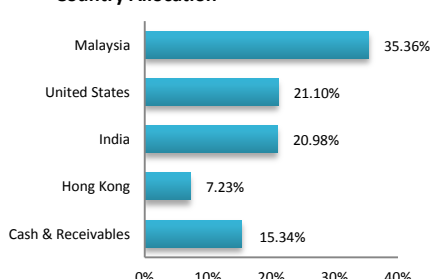
	2017
Fund	4.79
Benchmark	3.40

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

JSW STEEL LTD	15.72
PLUS BERHAD IMTN (AAA)	13.64
MAJAPAHIT HOLDING (BAA3)	11.17
ALDAR (BAA3)	10.61
TURKIYE VAKIFLAR BANKASI (BA1)	10.55

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.0422	1.0821	1.0917
Low	1.0345	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 Bond (“UST”) yields whipsawed throughout most of the month of March 2018 before bull flattening toward the month and 2018 quarter end as market participants were dealing with a stellar non-farm payroll (NFP) report of 313k vs 239k for the previous month, but were buffeted by talks of a possible trade war stemming from the Trump administration’s announcement of imposing tariffs of 25% on steel and 10% on aluminum. These coupled with quarter end buying led treasuries to bull flatten massively toward the end of the month. At the end of March close, the 2-, 5-, 10- and 30-year UST were last traded at 2.266% (Feb-2018: 2.25% +1bp), 2.562% (2.64%; -8bps), 2.74% (2.861%; -12bps) and 2.97% (3.124%; -15bps) respectively.

In terms of significant economic data release, the Institute of Supply Management (“ISM”) Manufacturing Index, the barometer for national factory activity reached a new peak for February 2018 at 60.8 (highest reading since May 2004). At the early part of the month, the Nonfarm Payrolls (“NFP”) in the United States was released and the NFP number for February 2018 surpassed expectations and beat the previous Month’s number by over 100k. The NFP in February added 313,000 new jobs against 205,000 consensus estimate. Average Hourly Earnings however fell slightly below expectations, registering 2.6% versus 2.8% consensus estimation and a strong print of 2.9% the prior month. On inflation, the United States Consumer Price Index (“CPI”) rose 0.2% in February 2018, lower than last month’s 0.5% print. Headline CPI rose 2.2% on an annualized basis in line with expectations while core CPI increased 1.8% against estimates of 1.8%. On March 21-22, Jerome Powell’s first Federal Open Market Committee (“FOMC”) as Fed Chair saw The Fed raising rates by 25bps, with the upper bound moving to 1.75% as fully expected by the market. Whilst the 2018 dot plot remained unchanged (indicating three rate hikes in 2018), the plots for 2019 and 2020 rate increases both steepened slightly. US Treasuries reacted with 10y Benchmark breaking above 2.90%, however retaliatory action by China to the US tariffs which were revealed later on to be clearly targeted at China’s large trade surplus against the US stoked fears of a trade war. Further to this, Facebook led tech stocks lower on breaking news that Cambridge Analytica, a political consulting firm associated with Donald Trump’s presidential campaign, gained access to the personal data of about 50 million Facebook users.

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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