

RHB MALAYSIA DIVIDEND FUND

This Fund aims to provide investors with capital growth and recurring income in the medium to long term through investments in securities of and securities relating to Malaysian companies which offer attractive yields and sustainable dividend payments.

INVESTOR PROFILE

This Fund is suitable for Investors who:

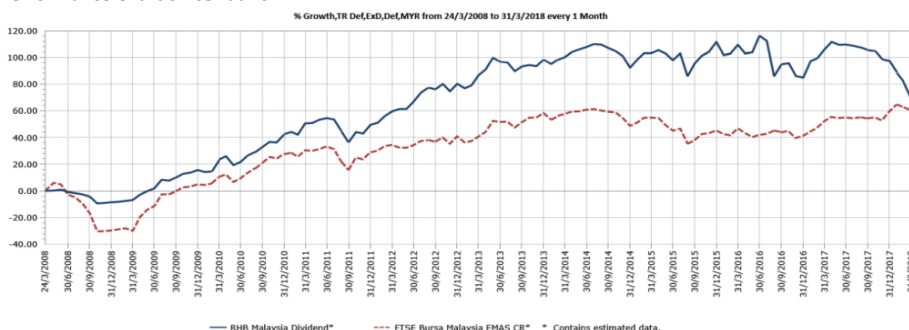
- seek a diversified domestic investment portfolio;
- seek capital growth and recurring income in the medium to long term period;
- seek a steady investment; and
- are willing to accept a moderate risk in their investment.

INVESTMENT STRATEGY

- 70% - 98% of NAV: Investment in equity and equity-related securities of Malaysian companies which offer attractive yields and sustainable dividend payments.
- 2% - 30% of NAV: Investment in liquid assets, fixed income securities, 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	-6.54	-13.57	-17.10	-13.57
Benchmark	-1.31	0.80	4.10	0.80

	1 Year	3 Years	5 Years	Since Launch
Fund	-17.36	-16.21	-8.66	70.30
Benchmark	5.53	3.84	14.23	60.58

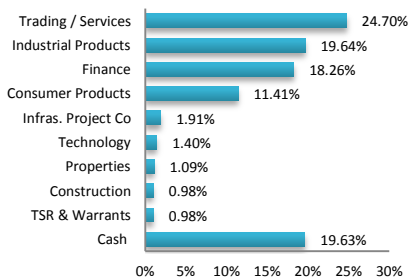
Calendar Year Performance (%)*

	2017	2016	2015	2014	2013
Fund	6.64	-12.69	9.97	-2.89	10.06
Benchmark	12.87	-2.77	-2.26	-6.13	12.38

Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Top Holdings (%)*

MALAYAN BANKING BHD	7.98
PUBLIC BANK BHD	5.73
CIMB GROUP HOLDINGS BHD	4.89
SLP RESOURCES BHD	4.39
UNITED U-LI CORPORATION	4.08

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.2522	0.2982	0.3563
Low	0.2202	0.2202	0.2202

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)	Yield (%)
22 Mar 2018	1.4500	5.19
22 Mar 2017	1.4000	4.83
28 Mar 2016	0.9500	3.14
15 Apr 2015	2.3000	6.99
27 Mar 2014	3.3000	9.54

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

MARKET REVIEW

Equity

Global stock markets came under pressure in March 2018 on fears over escalating trade tensions. The selling has been stirred by the United States (“U.S.”) President Trump’s announcement that tariffs of United States Dollar (“USD”) \$60bn 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 U.S.-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 U.S. 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.

Our local benchmark, FTSE Bursa KLCI (“FBMKLCI”) outperformed amid broader market weakness. This was largely driven by bigger capitalisation banks (Public Bank and Maybank) and bigger capitalisation consumer products like Nestle which were sought after by foreigners and locals. The broader smaller and middle capitalisation market has suffered from risk aversion amid risk of trade war and election uncertainty. The FBMKLCI started the month weak, after Donald Trump announced the steel and aluminum import tariff decision but rebounded in 12th 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 U.S. Secretary of State, Rex Tillerson who is a free trade advocate led the local benchmark to decline on 15th March 2018 (-0.63%). The market recovered on continuous foreign buying over the next few days. At the end of the month, the index closed slightly higher by +0.39%.

MARKET OUTLOOK AND STRATEGY

Equity

With the U.S. midterm elections scheduled for November 2018, there is an increased incentives for President Trump to deliver on his campaign pledges, therefore, there can be more newsflows to come, which may not be economically driven. Presently, 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, raising concerns over global trade tensions. In a globalised world, trade tensions will not benefit any nations.

Domestically, the key event in April will be the 14th general election (GE14), and generally polling will take place after two to three weeks once the dissolution of the Parliament happens. In the short term, sentiments can be driven by newsflows, however, most importantly, the economic fundamentals are strong, and will be the catalyst for corporates earnings to improve further in the longer term.

In terms of strategy, stock selections have become more important in the current market condition. The present broad market weakness presents accumulation opportunity but caution and patience are required. We will continue to focus in value investing. Some of the factors that we look for in companies includes long term earnings visibility, derived from unique product offerings, capacity expansion or new market expansions, besides of their strong balance sheet, cashflows and attractive valuations that will benefit the fund in the longer term.

DISCLAIMER:

Based on the fund’s portfolio returns as at 15 March 2018, the Volatility Factor (VF) for this fund is 13.5 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 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.