

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:

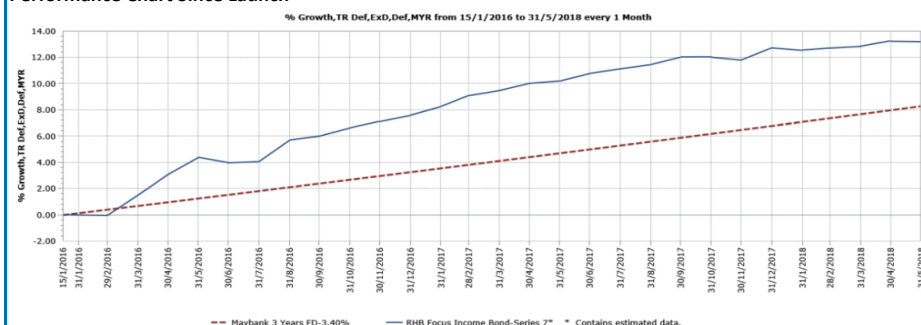
- have a moderate risk appetite;
- seek returns from the income accumulated and/or capital appreciation from a global debt instruments portfolio; and
- have a medium term (i.e. 3 years) investment horizon.

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	-0.03	0.44	1.26	0.41
Benchmark	0.28	0.85	1.68	1.39

	1 Year	Since Launch
Fund	2.73	13.20
Benchmark	3.40	8.27

Calendar Year Performance (%)*

	2017
Fund	4.79
Benchmark	3.40

FUND DETAILS

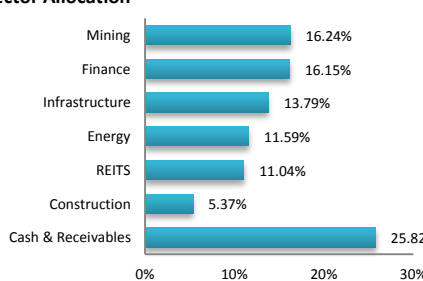
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Bond Fund (Closed Ended)
Fund Type	Income Fund
Launch Date	23 November 2015
Maturity Date	15 January 2019
Unit NAV	RM1.0419
Fund Size (million)	RM36.25
Units In Circulation (million)	34.79
Financial Year End	31 January
MER (as at 31 Jan 2018)	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.

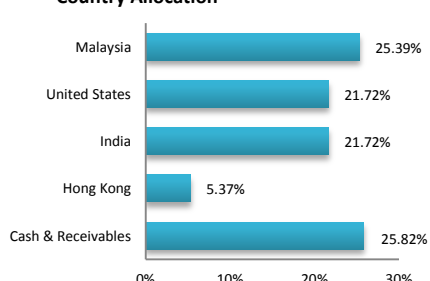
*For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

JSW STEEL LTD	16.24
PLUS BHD (AAA)	13.79
MAJAPAHIT HOLDING (BAA3)	11.59
ALDAR (BAA3)	11.04
TURKIYE IS BANKASI	10.68

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.0394	1.0821	1.0917
Low	1.0364	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") 10y yields climbed from 2.96% at the start of the month to break convincingly over the psychological level of 3.05% in the middle of the month to reach a high of 3.12% before closing at 2.87% for the month of May 2018 as improving macro fundamentals, potential denuclearization efforts being on track and aversion of trade tariffs between United States ("US") and China were derailed by Italian political turmoil as President Sergio Mattarella vetoed a bid by the Five Star Movement and League to form a coalition government. The UST issued \$73bio of 3-year, 10-year and 30-year bonds in the 2nd week of May which was \$7billion more versus last quarter as 10-year treasuries were plateauing at 2.95 levels after hitting a high of 3.03% the month before. In the middle of May, UST yields rose breaking key technical levels with 10-year treasuries staying firmly above 3% and 30-year above 3.22%. The auction in the last working week of May remained heavy with \$99bio worth of fixed rate bonds spread evenly across 2-year 5-year and 7-year bonds in addition to \$150bio of bills and \$16bio of floating rate securities. At the end of May 2018 close, the benchmark 2-, 5-, 10- and 30-year UST were last traded at 2.43% (Apr-2018: 2.49% -6bp), 2.70% (2.798%; -10bps), 2.86% (2.95%; -9bps) and 3.025% (3.12%; -9.5bps) respectively. The entire curve had an almost parallel shift lower towards the end of the month.

In terms of significant economic data release, the Institute of Supply Management ("ISM") Manufacturing Index for May 2018 printed at 58.7, up 1.4% from April. Nonfarm Payrolls ("NFP") in the United States released for April 2018 showed the economy added 223,000 new jobs against 190,000 consensus estimate. Average Hourly Earnings edged up 2.7% slightly higher than with consensus estimates of 2.6%. On inflation, the United States Consumer Price Index ("CPI") increased +0.2% MoM in April 2018, headline CPI rose 2.5% on an annualized basis in line with expectations while core CPI rose 2.1%, same as last month's reading of 2.1%. On May 23, the Federal Open Market Committee ("FOMC") meeting minutes were released which market perceived as slightly more dovish as it communicated the fed's acceptance of inflation overshooting 2% suggesting no rush to tighten more aggressively. Fed speak over the month included Bostic, Harker, Kashkari, Dudley, Kaplan and Evans, the only notable rhetoric was Kaplan in a Bloomberg interview reiterating concerns over the shape of the yield curve but acknowledging that the Fed Neutral rate would be in the range of 2.5%-2.75% (100bps from current rates).

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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