

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:

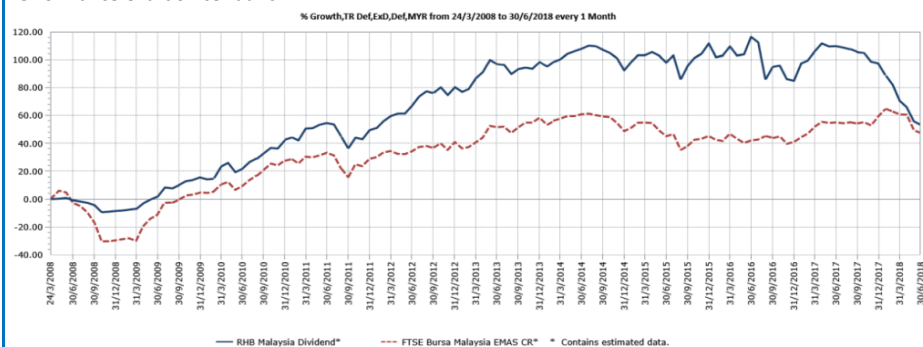
- seek a diversified domestic investment portfolio;
- seek capital growth and recurring income in the medium to long term period;
- seek a steady investment; and
- are willing to accept a moderate risk in their investment.

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	-1.73	-10.21	-22.40	-22.40
Benchmark	-1.39	-8.31	-7.58	-7.58

	1 Year	3 Years	5 Years	Since Launch
Fund	-27.08	-22.75	-22.24	52.91
Benchmark	-5.06	1.61	-2.80	47.23

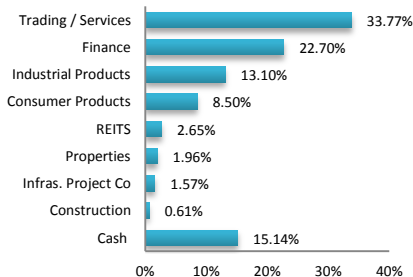
Calendar Year Performance (%)*

	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 (%)*

PUBLIC BANK BHD	8.32
MALAYAN BANKING BHD	7.63
CIMB GROUP HOLDINGS BHD	5.96
TENAGA NASIONAL BHD	5.16
TEX CYCLE TECHNOLOGY	3.95

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.2066	0.2926	0.3563
Low	0.1964	0.1964	0.1964

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

For the month of June 2018, performance major equity markets worldwide remained subdued as global trade woes continue to dominate headlines. Brent crude oil price jumped the most in 11 weeks, up 5.15% to USD79.44 per barrel on after a four-day rally underpinned by unexpected supply disruptions in Canada, Libya and Venezuela. The level of foreign funds exiting Asia ebbed towards the end of June 2018.

Mirroring markets elsewhere in Asia, Bursa continued to experience its ninth week of foreign attrition albeit at a slower pace. The FBMKLCI fell 2.8% in June 2018 as investors continued to re-price policy risk. Significant foreign net selling of RM4.9 bil, bringing 6M2018 foreign net selling to RM6.8 bil vs. net inflow of RM10.8 bil in 2017. Defensive healthcare (Top Glove-led) outperformed the most, on above trend volume growth and MYR weakness. Telcos underperformed the most (Telekom/Axiata-led) on lower broadband charges and GLC risk. Financials underperformed as investors re-priced EPS and multiples risk. Energy (Dialog-led) underperformed despite higher Brent crude oil price of US\$79/bbl (+2.4% M/M).

S&P Global Ratings has reaffirmed Malaysia's foreign currency and local currency ratings as "stable", indicating it may raise the ratings over the next 24 months if the strong economic performance continues.

On the corporate front, on 29 Jun 2018, the Energy Commission (EC) announced that the Malaysian government has approved the continued implementation of the imbalance cost pass-through (ICPT) mechanism for the period of 1 July-31 Dec 2018. The average base tariff is unchanged at 39.45 sen/kWh. The ICPT implementation is only applicable in Peninsular Malaysia whereas the implementation of incentive-based regulation (IBR) in Sabah and the federal territory of Labuan has been postponed to 1 Jan 2019. Overall Malaysia market also experienced window dressing for the last half yearly trading day, in which recovered some losses for the month performance.

MARKET OUTLOOK AND STRATEGY

The recent outflows of foreign funds caused concerns among investors in the short to medium term. There were also concerns over recession hitting the U.S in the coming year or two coupled with lofty valuations of developed markets and their hawkish and protectionist stances. Although growth has moderated but it is still in expansionary mode.

There are also uncertainties on the domestic front as the new government settles down and works through its plan. We need to give time as changes cannot happen overnight especially the ones that involve existing laws which entails a complex procedure. The government is looking to review and relook at mega projects and determine its profitability and viability. But certainly it has negatively impacted the construction sector but nonetheless should not derail interest of foreign investors. The focus on improving corporate governance are actually big pluses to entice foreign investors which is further enhanced by the government's stance in ensuring a good relationship with foreign investors.

While we are waiting for the dust to settle as far as the government policies and actions are concerned, we should not forget the headwinds from the geopolitical events which is not just affecting the local market but also neighbouring countries and even developed nations (e.g. US-China trade war, US-North Korea plan to denuclearise the Korean peninsula).

Hence we expect markets to be quiet in the next month as investors would wait for foreigners to exit. At the time of writing, we opined that valuations are compelling and it is ripe for the funds to slowly accumulate on weaknesses.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 June 2018, the Volatility Factor (VF) for this fund is 14.4 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.