

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:

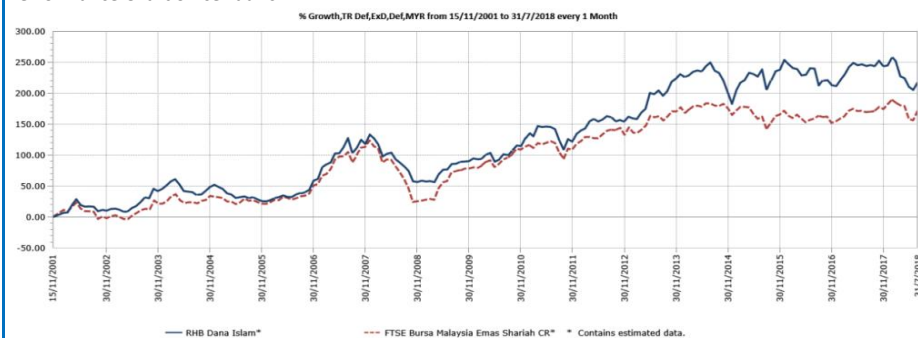
- are looking for investments in a diversified portfolio of assets that comply with Shariah requirements;
- are willing to accept moderate to high risk in their investments; and
- prefer capital growth rather than income over a medium to long-term period.

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	3.98	-2.08	-11.48	-8.13
Benchmark	5.94	-2.72	-6.20	-3.70

	1 Year	3 Years	5 Years	Since Launch
Fund	-7.87	-6.40	3.95	216.69
Benchmark	0.73	3.53	3.53	171.52

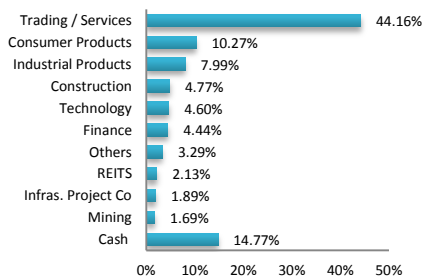
Calendar Year Performance (%)*

	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

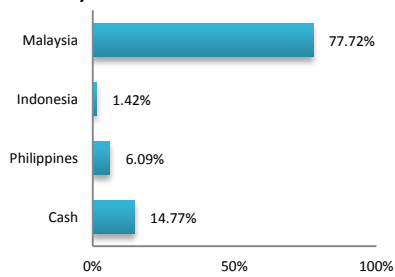
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

TENAGA NASIONAL BHD	7.18
SERBA DINAMIK HOLDINGS BHD	5.18
INARI AMERTRON BHD	4.60
BIMB HOLDINGS BHD	4.44
WILCON DEPOT	4.40

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.8092	0.9515	1.0965
Low	0.7733	0.7733	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

MSCI World Equities rose 2.9% in July 2018, lifting year to date (YTD) returns back to positive territory (+2.4%), as investor sentiment rebounded from panic levels with the gradual dissipation of uncertainties around trade tariffs. The United States (US) (+3.5%) and Europe (+3.3%) led from the front by forging a trade deal, while Japan (+0.4%) stayed flat. This, coupled with strong economic growth in the US and Federal Reserve (the Fed) Governor Jerome Powell's testimony to the Congress, drove 10-year Treasury yields up by 10 basis points to 2.96%. As a result, Emerging Markets (EMs) (+1.7% in July, -6.1% YTD) breathed a sigh of relief, ending the month on a positive note for the first time since January 2018.

MSCI Asia Ex Japan equities edged up 0.3% in July 2018, with YTD returns at -5.5%, as underperformance by heavyweights China (-3.1%) and Korea (-1.5%) weighed on the otherwise modest gains of the region. Despite reversal to an expansionary policy stance, China continued to languish on the back of the Sino-US trade conflicts as well as from prior tightening. MSCI ASEAN (+4.0%) performed strongly as all countries posted positive returns.

FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI) rose 5.3% month-on-month (MoM) in July 2018, mirroring the strong performance in ASEAN while the FTSE Bursa Malaysia Emas Shariah rose 5.94% driven by mid-size companies. Overnight Policy Rate (OPR) was unchanged, Malaysian Ringgit (MYR) was stable while 10-year Malaysian Government Securities (MGS) fell 4.1% MoM to 4.1%. telecommunications, oil and gas and industrials outperformed while consumer staples underperformed, led by defensive British American Tobacco (BAT) and plantations due to ongoing trade war.

On the economic front, Bank Negara Malaysia (BNM) kept the OPR unchanged at 3.25% at its fourth monetary policy meeting this year. This is the first meeting chaired by new Governor Datuk Nor Shamsiah Mohd Yunus. The decision came widely expected. Inflation rate slowed sharply in June 2018 to +0.8% year on year (YoY) (May 2018: +1.8% YoY) as the zero rating of Goods and Services Tax (GST) resulted in slower increases or declines in prices of Consumer Price Index (CPI) basket of goods and services. Standard & Poor's Global Ratings expects Malaysia to record strong consumption growth in 2018 driven by steady income growth amid a one-off boost in the second quarter following the phasing out of the GST. For June 2018, data from the Statistics Department showed that the country's retail sales grew faster at 9.3% YoY, from 7.9% YoY May 2018, partly supported by the zero-rated GST.

On the corporate front, IHH Healthcare is set to win the bid for Fortis Healthcare after it offered to pay 180 rupees/share, valuing India's second-largest hospitals chain at 93.35 billion rupees.

The highest civil appeal court in Dubai has ruled in favour of WCT in a civil suit brought against it by Dubai-based Meydan Group LLC and the court has dismissed the appeal filed by Meydan. The Penang government will consider requesting RM1 billion soft loan from the federal government to expedite the Penang Transport Master Plan.

MARKET OUTLOOK AND STRATEGY

We continue to expect the OPR to stay unchanged at 3.25% for the rest of this year. The tone of the latest Monetary Policy Committee (MPC) statement was expectedly more dovish, and we think BNM is likely in a wait-and-see mode. Lower headline inflation gives BNM room to ease monetary policy if needed. But for now, a steady growth path supported by sustained domestic demand and net exports should keep the policy rate flat.

FBMKLCI likely to continue in consolidation mode as investors stay on the sidelines awaiting second quarter corporate results. We expect June export growth numbers to rebound boosted by MYR depreciation and a favourable base effect. We believe a similar base effect and a likely pick-up in private consumption after the zero-rating of the goods and services tax may have led to even stronger import growth, narrowing the trade surplus.

Investors will be closely tracking development regarding policy and leadership changes at the Government-linked Investment Companies. Investors will be also keeping close tabs on developments relating to the restructuring and takeover of Syarikat Pengeluaran Air Selangor Sdn Bhd (SPLASH), developments on the fate of the Kuala Lumpur-Singapore High Speed Rail and East Coast Rail Link projects, as well as fulfillment of Pakatan Harapan's 10 promises in its manifesto as it approaches the 100 days anniversary on 18 August 2018.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 July 2018, the Volatility Factor (VF) for this fund is 12.0 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are more than 11.1 (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 30 June 2018 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 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.