

### RHB MULTI ASSET REGULAR INCOME FUND

The Fund aims to provide regular income and medium to long term capital growth through a multi asset strategy.

#### INVESTOR PROFILE

This Fund is suitable for investors who:

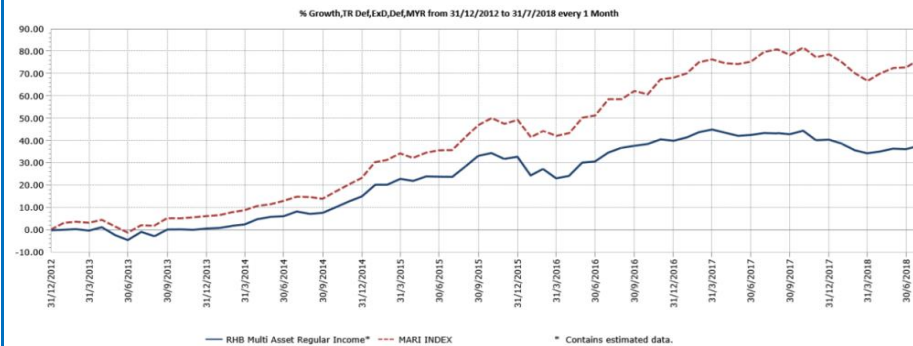
- seek regular income and capital growth over the medium to long term;
- are willing to accept moderate risk in their investments; and
- wish to benefit from investment exposure in the Asia and Asia Pacific (ex Japan) region.

#### INVESTMENT STRATEGY

- 65% - 98% of NAV: Investments in Asian (ex Japan) debt instruments/bonds, Asia Pacific (ex Japan) dividend equities and Asia Pacific (ex Japan) REITs.
- 2% - 35% of NAV: Investments in liquid assets including money market instruments and deposits with financial institutions.

#### FUND PERFORMANCE ANALYSIS

##### Performance Chart Since Launch\*



##### Cumulative Performance (%)\*

|             | 1 Month     | 3 Months    | 6 Months     | YTD          |
|-------------|-------------|-------------|--------------|--------------|
| <b>Fund</b> | <b>1.11</b> | <b>1.90</b> | <b>-0.53</b> | <b>-1.84</b> |
| Benchmark   | 1.71        | 3.32        | 0.51         | -1.59        |

|             | 1 Year       | 3 Year       | 5 Year       | Since Launch |
|-------------|--------------|--------------|--------------|--------------|
| <b>Fund</b> | <b>-4.02</b> | <b>11.26</b> | <b>38.74</b> | <b>37.73</b> |
| Benchmark   | -2.18        | 29.60        | 72.32        | 75.71        |

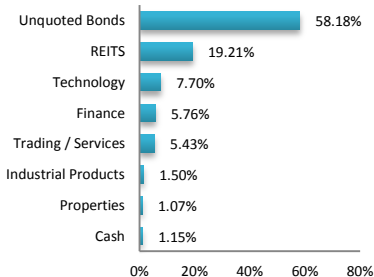
##### Calendar Year Performance (%)\*

|             | 2017        | 2016        | 2015         | 2014         | 2013        |
|-------------|-------------|-------------|--------------|--------------|-------------|
| <b>Fund</b> | <b>0.19</b> | <b>5.41</b> | <b>15.46</b> | <b>14.19</b> | <b>0.77</b> |
| Benchmark   | 6.19        | 12.65       | 21.25        | 16.30        | 6.12        |

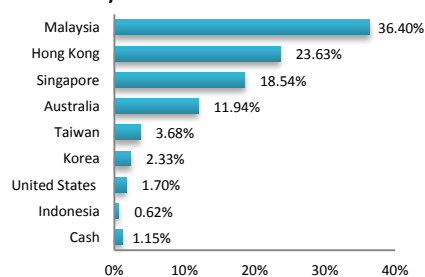
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



##### Top Holdings (%)\*

|  |       |
|--|-------|
| TNB 4.95% (03/08/2032)                 | 12.80 |
| PLUS BHD IMTN 4.72% (12/01/2026)       | 12.78 |
| PAKUWON PRIMA 5% (14/02/2024)          | 7.85  |
| PUTRAJAYA IMTN 4.58% (26/05/2026)      | 7.60  |
| FAR EAST HORIZON LTD@4.335% (3/7/2021) | 4.10  |

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

|      | 1 Month | 12 Months | Since Launch |
|------|---------|-----------|--------------|
| High | 0.5230  | 0.5631    | 0.6266       |
| Low  | 0.5142  | 0.5061    | 0.4636       |

Source: Lipper IM

##### Historical Distributions (Last 4 Quarters) (Net)

|             | Distribution (sen) | Yield (%) |
|-------------|--------------------|-----------|
| 29 Jan 2018 | 0.8500             | 1.57      |
| 26 Oct 2017 | 0.8500             | 1.52      |
| 20 Jul 2017 | 1.4500             | 2.54      |
| 23 May 2017 | 1.5000             | 2.54      |

Source: RHB Asset Management Sdn. Bhd.

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**MANAGER'S COMMENTS**

**MARKET REVIEW**

After a flattish equity return in June, the month of July saw MSCI World recovering with a positive gain of 2.9%, second highest in 2018 after January's 5.6% gain. ASEAN (+4.0% USD terms), US (+3.5%), Europe (+3.2%) have closed the month in green and Japan (+0.4%) was flattish. HK/China (-3.1%) and Korea (-1.5%) got hurt by the looming trade war sentiment. IMF estimates that a 10% rise in import tariffs in both the US and the rest of the world will result in a 1% decline in world trade and a 0.5% fall in world GDP. HK, Singapore, South Korea, and Taiwan would be the hardest hit in Asia should a full-scale trade war break out.

On 1st August, the Trump administration reported plans to announce more aggressive retaliations against China and has directed US trade representative to consider increasing the proposed level of the additional duty from the 10% announced on July 10th to 25% on US\$200bn worth of Chinese products. The news pushed the Shanghai Composite down 2% on 2nd August.

The UST 10 years closed the month of July at 2.96%, up by 10bps as market participants looking for action with the Bank of Japan, which saw JGB 10 year testing a high of 0.09% in July. Bank of Japan introduced forward guidance and raised the ceiling on their 10-year interest target band from 0.1% to 0.2% to allow more flexibility for purchases while sustaining its rate low-for-long guidance. The Dollar Index (DXY) was relatively range bounded around 94.5.

In July, PMI remained in expansionary territory amid slower growth for both US and Asia, while improving in Europe. US's ISM manufacturing PMI eased to 58.1 in July from 60.2 the previous month, while Eurozone's manufacturing PMI improved +0.2pts to 55.1. In Asia, China's Caxin PMI eased by 0.2pts at 50.8 while ASEAN slipped 0.6pts to 50.4 in July.

**MARKET OUTLOOK AND STRATEGY**

Market remains volatile in July 2018 as the U.S. is looking to increase tariffs on Chinese import goods from 10% to 25%. Despite recent chatter regarding U.S. and China to negotiate on the trade dispute, there is no certainty at the moment that the trade war will ease in the near-term. Technology sectors in the U.S. and Asia continued to see a moderate correction due to (1) high valuation and (2) margin pressure as a result of increase spending. In July, we took profit from our position in Largon after the share price went up by 68% from the trough in April and increase our positions in TSMC, the largest foundry in the world, and Mediatek. We currently see bigger upside in these two names going forward. ASX 200 A-REIT Index remained largely steady and increased by 0.93% in July. Our holdings in Australia REITs space continue to hold up well since we invested in the sector in April 2018. Some of our holdings have achieved close to 10% capital appreciation in the last four months with the REITs still generating on average 5% dividend yield per annum. We continue to like our REITs holdings for its defensive nature and steady regular income stream.

During the month, we also deployed our cash into use by raising our weights in both equities and fixed income. We increased our weighting in fixed income/equities to 58.2%/40.7% respectively as weak market environment provides good opportunities to buy into good quality stocks. We also marginally increased our weighting in REITs from 17.4% to 19.0% as we see more stable share prices performance and steady regular income from REITs amidst volatile market environment. We continue to position our portfolio defensively with a balanced of growth and regular income from our positions in equities and fixed income.

**DISCLAIMER:**

Based on the fund's portfolio returns as at 15 July 2018, the Volatility Factor (VF) for this fund is 7.2 and is classified as "Moderate". (source: Lipper) "Moderate" includes funds with VF that are above 6.6 but not more than 8.7 (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 6 October 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 currency risks, country risk, regional risk, liquidity risk, default and credit risk, interest rate risk, risk of using rating agencies and other third parties, REITs management risk, real estate risk and derivative 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.