

### RHB ISLAMIC REGIONAL BALANCED FUND - MYR CLASS

The Fund aims to provide regular income\* and capital growth over the medium to long-term\*\* from a diversified portfolio of Shariah-compliant investments.

Note:\* Income is in the form of Units. Please refer to the Fund's distribution mode.

\*\* "medium to long-term" in this context refers to a period of three (3) years or more.

#### INVESTOR PROFILE

This Fund is suitable for investors who:

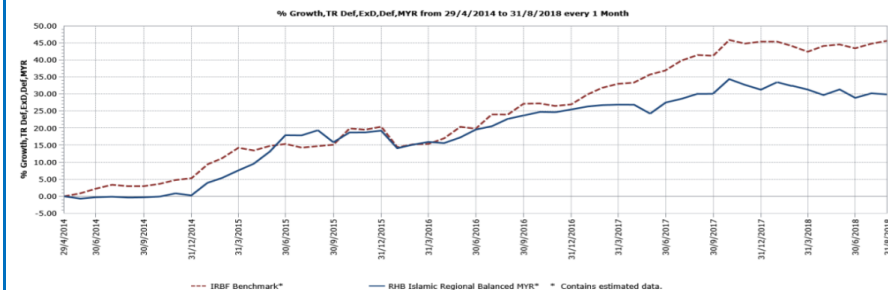
- want to have a balanced portfolio that provides both income and capital growth, and at the same time complies with the principles of Shariah; and
- are willing to accept moderate risk in their investments.

#### INVESTMENT STRATEGY

- At least 40% and up to 60% of NAV: Investments in Shariah-compliant equities.
- At least 40% and up to 60% of NAV: Investments in non-equity Shariah-compliant investments.

#### FUND PERFORMANCE ANALYSIS

##### Performance Chart Since Launch\*



RHB Islamic Regional Balanced Fund ("IRBF") Benchmark : Following the change in Shariah screening methodology of the Fund from a combination of screening methodologies to a single FTSE Shariah screening methodology effective from 3 December 2017, the performance of this Fund is benchmarked against a composite benchmark comprising 50% RAM QuantShop GII (medium term) Index and 50% FTSE Shariah Developed Asia Pacific Index. Prior to 3 December 2017, the performance of this Fund is benchmarked against a composite benchmark comprising 50% RAM QuantShop GII (medium term) Index and 50% Dow Jones Islamic Market Asia Pacific Index.

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

	1 Month	3 Months	6 Months	YTD
Fund	-0.25	-1.12	-1.94	-1.13
Benchmark	0.60	0.74	1.05	0.16

	1 Year	3 Years	Since Launch
Fund	-0.23	8.76	29.78
Benchmark	2.95	26.89	45.58

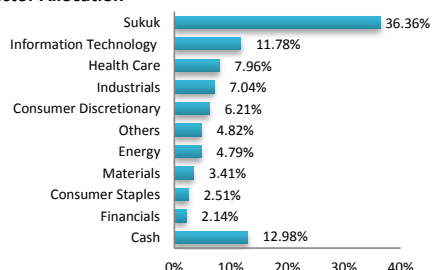
##### Calendar Year Performance (%)\*

	2017	2016	2015
Fund	4.61	5.27	18.90
Benchmark	14.50	5.41	14.33

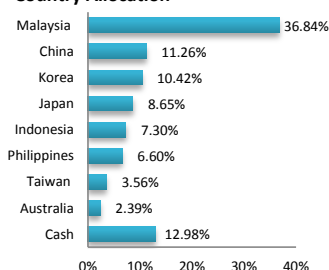
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



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

YTL POWER ISLAMIC MEDIUM TERM NOTE 5.050% (03/05/2027)	3.37
GII MURABAH 1/2017 (26/07/2027)	3.04
TAKEDA PHARM	2.76
SARIMELATI KENCANA	2.28
SAMSUNG HEAVY	2.22

\*As percentage of NAV

#### FUND DETAILS

<b>Investment Manager</b>	RHB Asset Management Sdn. Bhd.
<b>Trustee</b>	TMF Trustees Malaysia Bhd
<b>Fund Category</b>	Balanced fund (Shariah-compliant)
<b>Fund Type</b>	Income and growth
<b>RM Class Launch Date</b>	08 April 2014
<b>USD Class Launch Date</b>	17 June 2014
<b>Domicile</b>	Malaysia
<b>Base Currency</b>	Malaysian Ringgit (RM)
<b>Unit NAV</b>	RM1.2982
<b>Fund Size (million)</b>	RM165.74
<b>Units In Circulation (million)</b>	127.66
<b>Financial Year End</b>	30 April
<b>MER (as at 30 Apr 2018)</b>	2.09%
<b>Min. Initial Investment</b>	RM1,000.00
<b>Min. Additional Investment</b>	RM100.00
<b>Benchmark</b>	50% RAM QuantShop GII (medium term) Index + 50% FTSE Shariah Developed Asia Pacific Index
<b>Sales Charge</b>	Up to 5.00% of investment amount*
<b>Redemption Charge</b>	None
<b>Annual Management Fee</b>	1.80% p.a. of NAV*
<b>Annual Trustee Fee</b>	Up to 0.06% p.a. of NAV, subject to a min. of RM18,000p.a.*
<b>Switching Fee</b>	RM25.00 per switch*
<b>Distribution Policy</b>	Annually, if any

\*All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.

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 STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.3068	1.3616	1.3616
Low	1.2727	1.2720	0.9739

Source: Lipper IM



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**MANAGER’S COMMENTS**

**MARKET OUTLOOK AND STRATEGY**

**Equity**

Rising uncertainties over the global economic outlook had caused the recent market volatility. Escalating trade tensions, coupled with tightening liquidity conditions, have not yet had a notable impact on global growth. United States (US) will lead the global recovery in the second half of the year amid better corporate earnings while the persistent impacts of tax reform position the US for continued growth. Equity markets, particularly in the US have stabilized somewhat over the past few weeks on the expectation that the risks are not particularly grave, that global growth remains robust, and that central banks will be slow to tighten. We remain overweight on equity allocation, but skewed towards sectors that have positive catalysts in the near term.

Technology sector is still our key investment for the rest of the year amid huge potential from the applications and should revolve around smartphone, autonomous vehicle as well as artificial intelligence. Balance sheets in the sector appear to be solid, with large cash balances and relatively low debt, enabling them to pursue mergers and acquisitions that might help performance by removing competition and consolidating expenses. Additionally, we have seen Technology sector companies increase their dividend payments, while they have also increase share buybacks.

Healthcare sector had decent performance over the past year and we think there’s likely improving performance to come. Valuations appear fair to slightly below average based on historical levels, balance sheets are solid, stocks generally have good dividend yields, and the overall cost structure appears to be much improved. Also, demand appears to be on the rise for health care products and services, partly as a result of an aging population.

**Sukuk**

In early September 2018, Malaysia’s Ringgit drop to the lowest level in more than 9 months as a selloff in emerging markets fuels contagion fears. United States Dollar/Malaysian Ringgit is likely to rise to 4.20 by year end as the dollar continues to strengthen on higher US rates and global trade tensions. Bank Negara Malaysia maintained Overnight Policy Rate at 3.25% as expected in 5th September 2018 Monetary Policy Committee (MPC) meeting. We see the central bank to maintain a stable monetary policy through 2019 while allowing the Malaysian Ringgit to weaken further as risks to growth increase and inflation remains muted.

Domestic macro conditions are still supportive for Malaysia’s bond market. Headline Consumer Price Index (CPI) remained weak at +0.9% year-on-year (YoY) in July 2018, while core CPI went into negative territory at -0.2% YoY. Though the re-introduction of Sales and Services Tax (SST) in September 2018 is expected to induce upward revision of prices, inflation is likely to remain muted. We still have a positive long-term view for Malaysia and remain comfortable in tactically nimble around duration or buying on dips to the portfolio. We also remain overweight corporate bond on healthy credit spreads and yield premium.

**DISCLAIMER:**

Based on the fund’s portfolio returns as at 15 August 2018, the Volatility Factor (VF) for this fund is 5.4 and is classified as “Low”. (source: Lipper) “Low” includes funds with VF that are above 1.9 but not more than 6.6 (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 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 Prospectus dated 3 November 2017 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 for the Fund are equity risk, currency risk, country risk, interest rate risk, liquidity risk, regulatory risk, credit downgrade and credit/default risk, reclassification of shariah status risk, market risk in emerging and less developed markets, unrated securities risk and risk of use of rating agencies. These risks and other general risks 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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