

RHB KLCI TRACKER FUND

This Fund aims to provide investment results that closely correspond to the performance of the Kuala Lumpur Composite Index or such other index as may be replaced by Bursa Malaysia Securities Berhad.

INVESTOR PROFILE

This Fund is suitable for Investors who:

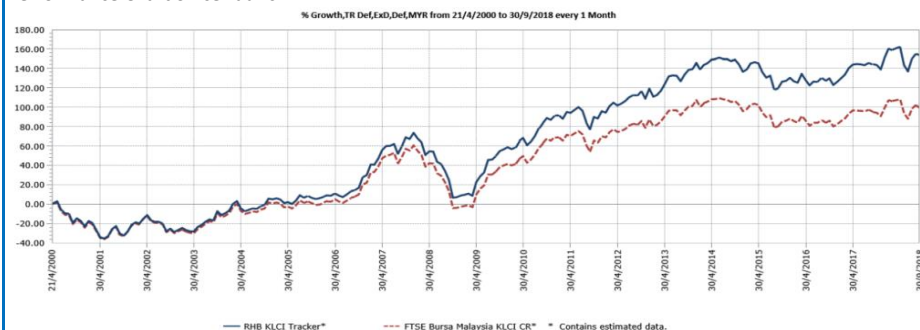
- seek equity market returns as measured by the benchmark FBM KLCI;
- prefer passive investment management; and
- are willing to accept high risk in their investments in order to obtain capital growth over a short to medium term period.

INVESTMENT STRATEGY

- 90% - 99.5% of NAV: Investments in the FBM KLCI component stocks.
- 0% - 10% of NAV: Participation in financial derivatives.
- 0.5% - 10% of NAV: Investments in liquid assets, money market instruments & deposits with financial institutions.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	-0.68	6.96	-2.78	0.91
Benchmark	-1.46	6.01	-3.77	-0.20

	1 Year	3 Years	5 Years	Since Launch
Fund	3.82	15.39	8.45	153.68
Benchmark	2.14	10.62	1.39	99.46

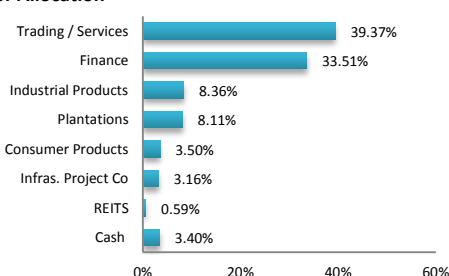
Calendar Year Performance (%)*

	2017	2016	2015	2014	2013
Fund	10.98	-1.72	-2.73	-3.57	11.93
Benchmark	9.45	-3.00	-3.90	-5.66	10.54

Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Top Holdings (%)*

PUBLIC BANK BHD	13.80
TENAGA NASIONAL BHD	10.63
MALAYAN BANKING BHD	8.01
CIMB GROUP HOLDINGS BHD	7.55
PETRONAS CHEMICALS GROUP BHD	4.26

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.0864	1.1315	1.1315
Low	1.0673	0.9923	0.3087

Source: Lipper IM

FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Equity Fund
Fund Type	Index Tracking Fund
Launch Date	03 April 2000
Unit NAV	RM1.0790
Fund Size (million)	RM11.24
Units In Circulation (million)	10.42
Financial Year End	31 March
MER (as at 31 March 2018)	1.75%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	FBM KLCI
Sales Charge	None
Redemption Charge	None
Transaction Fee	Up to 1.00% of investment / redemption amount*
Annual Management Fee	1.50% p.a. of NAV*
Annual Trustee Fee	Up to 0.07% p.a. of NAV*
Switching Fee	RM25.00 per switch*
Redemption Period	Within 10 days after receipt the request to repurchase
Distribution Policy	None

*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.



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MANAGER'S COMMENTS

MARKET REVIEW

For the month of September 2018, FBM KLCI decline -26.5pts, or -1.5% MoM to 1,793 while MYR weakened 0.79% to 4.1390 in the month despite oil price rising +5%. However, September also saw net monthly inflows from foreign funds for the first time since GE14, albeit small, at +RM66.3m, thanks to the FTSE rebalancing on 21 September which resulted in net inflows into Malaysia with the inclusion of Hartalega and Dialog into the index.

The BNM MPC meeting held in the month did not reveal any surprises, as low inflation and the current account surplus provide flexibility for keeping policy rates on hold at 3.25%. The next and last MPC meeting for the year is scheduled on 8 November. Malaysia's exports rose 9.4% YoY in July to RM86.1 billion to a new record high on higher export volume of electrical & electronic products goods, crude petroleum, and natural rubber and timber. However there were declines for liquefied natural gas (-RM1.5 billion), palm oil and palm oil-based products (-RM862.9 million), and refined petroleum products (-RM768.3 million).

MARKET OUTLOOK AND STRATEGY

The EM currency weakness over the last six months is the result of dollar strength amid heightened trade tensions, while medium-term headwinds are not diminishing. The USD:MYR has weakened almost 7% against the USD since the last six months, to 4.14. While the MYR has held up relatively well vs. EM due to central bank exchange rulings and a positive current account surplus, what may work against the MYR is the high level of foreign ownership of 40% in Malaysia Government Securities (MGS), leaving little room for policy error, given the narrow fiscal space. A weaker MYR would be positive for exporters (including rubber manufacturers and tech), petrochemicals, plantations and tourism.

The coming budget in 2 November 2018 will be closely watch as investors will see how the new government will chart economy growth going forward. As the priority is to reduce the nation debt, we believe that certain sectors will face lower allocation and some form of taxes may be introduced to increase the national revenue.

In our view apart from global factors, return of foreign funds will hinge on 1) reaffirmation of MY sovereign credit rating 2) RM stability 3) market earnings/GDP outlook and 4) greater clarity on GLC leadership. We see upcoming Budget on 2 November 2018 as a key market event unlike previous Budgets.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 September 2018, the Volatility Factor (VF) for this fund is 8.5 and is classified as "High". (source: Lipper) "High" includes funds with VF that are above 8.7 but not 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 for 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.

