RHB Asset Management

FUND FACTSHEET – OCTOBER 2018

All data expressed as at 30 September 2018 unless otherwise stated

3-year Fund Volatility 6.9 moderate Lipper Analytics 15 SEP 2018

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

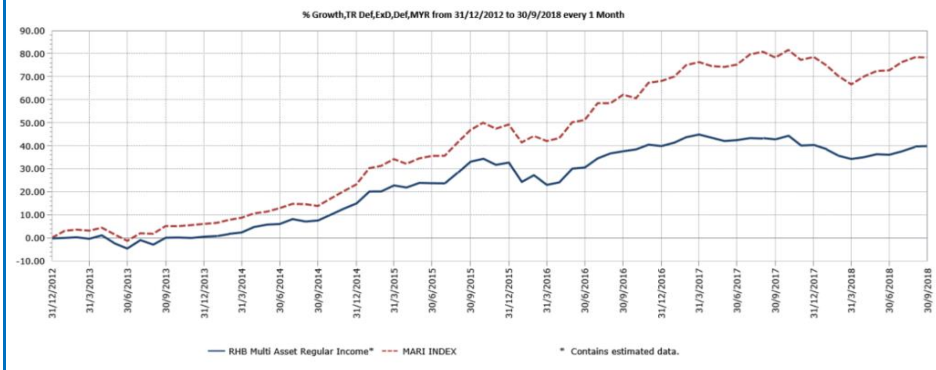
This Fund is suitable for investors who:
- seek regular income and capital growth over the medium to long term;
- are willing to accept moderate risk in their investments; and
- wish to benefit from investment exposure in the Asia and Asia Pacific (ex Japan) region.

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
Fund	**0.09**	**2.60**	**3.99**	**-0.39**
Benchmark	0.04	3.31	7.08	-0.04

	1 Year	3 Year	5 Year	Since Launch
Fund	**-2.11**	**4.90**	**39.31**	**39.76**
Benchmark	0.12	21.57	69.81	78.48

Calendar Year Performance (%)*

	2017	2016	2015	2014	2013
Fund	**0.19**	**5.41**	**15.46**	**14.19**	**0.77**
Benchmark	6.19	12.65	21.25	16.30	6.12

Source: Lipper IM

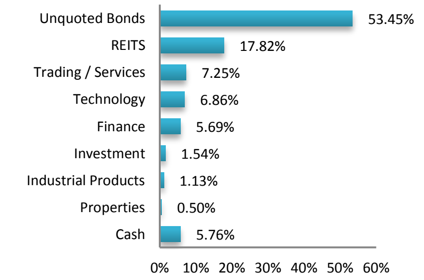
FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Mixed Asset Fund
Fund Type	Income and Growth Fund
Launch Date	07 December 2012
Unit NAV	RM0.5288
Fund Size (million)	RM38.04
Units In Circulation (million)	71.93
Financial Year End	31 January
MER (as at 31 Jan 2018)	2.08%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	50% JP Morgan Asia Credit Index TR Composite (RM) + 30% MSCI AC Asia Pacific ex Japan Index (RM) + 20% MSCI AC Asia Pacific ex Japan REITS Index (RM)
Sales Charge	Up to 5.00% of investment amount*
Redemption Charge	None
Annual Management Fee	1.80% p.a. of NAV*
Annual Trustee Fee	Up to 0.08% p.a. of NAV*
Switching Fee	RM25.00 per switch*
Distribution Policy	Quarterly, if any

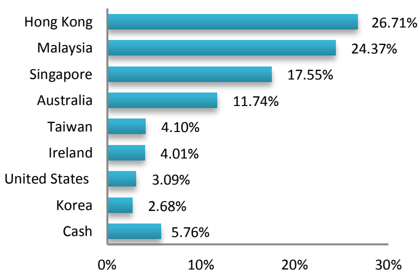
**All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.*
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

TNB 4.95% (03/08/2032)	13.50
PAKUWON PRIMA 5% (14/02/2024)	8.19
PUTRAJAYA IMTN 4.58% (26/05/2026)	7.92
SF HOLDING 4.125% (26/7/2023)	5.41
FAR EAST HORIZON LTD @4.335% (3/7/2021)	4.33

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5288	0.5631	0.6266
Low	0.5221	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

Another flattish month in September saw the MSCI World registering a positive gain of 0.3% after August's 0.6% gain. This bring the year to date return to 2.2%. Sector wise, energy (+2.7%), healthcare (1.8%) and telecom (+1.8%) outperformed, while real estate suffered (-2.7%). Within markets, Japan (+2.3%) outperformed United States (+0.3%) and Europe (+0.3%), while Asia ex-Japan continued to detract another month (-1.6% USD terms).

Share buybacks, earning growth and fiscal policy has remained supportive to U.S. equities, with, health care and energy being the biggest outperformers. As expected, the FOMC raised the target range for the policy rate to 2 - 2.25% and reiterated the case for gradual rate hikes in their September meeting. The dot plot confirmed a December rate hike, in line market expectation. The UST 10 years closed the month of September at 3.06%, above the 3% threshold despite changes in U.S. tax reform on pension funds. The 10-2 year spread included up to 24bps.

Among the G10 countries, Norway started its tightening phase as +25bps to 0.75% following after United Kingdom, Canada and United States. The labour market continued to improve in Europe. ECB looks set to end its bond buying programme in December with a first hike in September 2019 at the earliest. At the end of the month, Italian banks suffered due the Italian budget law proposal, which included a larger deficit-to-GDP ratio than market expectation.

While huge victory for Prime Minister Abe was not delivered during the LDP party election, the market reacted positively to U.S.-Japan trade talks. The Bank of Japan modestly tweaked the ceiling on their 10-year interest target band from 0.1% to 0.2% to allow more flexibility for purchase while sustaining its rate low-for-long guidance in July.
Within Asia ex-Japan, the Thailand market (+2.9% USD terms) was the best performer in September, largely driven by the royal approval of the two key organic laws required for the upcoming election. These laws include the election of MPs and the selection of senators. Elections may be held next year during February – May 2019. Philippines and India underperformed, while the China market continued to suffer from trade war (-1.7% USD terms). U.S. government implemented a further 10% tariff on another $200 billion of Chinese imports on 24th September, with the rate rising to 25% next year (1st January 2019). The State Council announced plans of lowering tariffs and incentivizing foreign investments.

MARKET OUTLOOK AND STRATEGY

While Markit Global Manufacturing PMI remained in expansionary territory and remain supportive for the global trend growth, it has eased to a 22-month low at 52.2 in September. Manufacturing PMI was slower for Europe (-1.3ppt to 53.3), unchanged in Japan (52.5) while improved in US (+0.9pts to 55.6). China's Caixin (-0.6pts to 50) and official PMI (-0.5pts to 50.8) improved by 0.1pts at 51.3 and Japan +0.2pts to 52.5 in August.

The US economy remains supported by fiscal policy. As we approach the mid-terms election, there is reduced visibility on policy-making and increased uncertainty could lead to lower investment growth. According to some recent surveys, at this juncture, US corporates are concerned about business conditions six months from now. That said, US is performing reasonably well and earnings delivery has been positive. Following, September's interest rate hike and December's hike priced in, the Fed is expected to hike 3 times next year, according to projections.

We continue to position our portfolio defensively amidst market uncertainties pertaining to U.S. – China trade war. China's internet sector had another challenging month, with Tencent continuing to underperform due to uncertainty surrounding the new game approval timeline. We took the opportunity to cut our position in Tencent as we expect the revenue growth momentum to decelerate significantly in 2H18 and consensus estimate is still too high. On the other hand, our investments in Baidu and Alibaba remained resilient with share prices unchanged during the month.

During the period under review, we added Hyundai Heavy Industries Holdings to our portfolio. The holding company owns the 4th largest refinery in South Korea and the company is currently preparing to list its refinery subsidiary in coming months. We are optimistic on the company outlook with the pending IPO catalyst, as well as strong refining outlook going into 2020 when IMO regulation takes effect.

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