

RHB GROWTH AND INCOME FOCUS TRUST

This Fund aims to achieve maximum total returns through a combination of long term growth of capital and current income.

INVESTOR PROFILE

This Fund is suitable for Investors who:

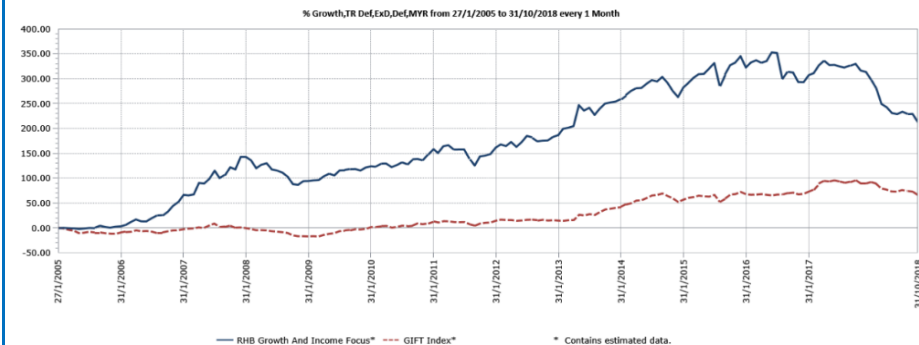
- seek long term capital appreciation through investments in high growth potential small cap securities whilst requiring the flexibility of a conservative portfolio of fixed income securities in order to capitalise and adapt to prevailing market conditions; and
- are willing to accept slightly higher risk in their investments than that normally associated with a general balanced fund in order to achieve long term capital growth and income.

INVESTMENT STRATEGY

- 30% - 70% of NAV: Investments in securities of companies with market capitalization of not more than RM750 million ("small cap securities").
- 30% - 70% of NAV: Investments in fixed income securities, money market instruments, cash and deposits with financial institutions.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	-5.11	-6.23	-8.72	-24.38
Benchmark	-4.05	-5.51	-6.16	-12.15

	1 Year	3 Years	5 Years	Since Launch
Fund	-27.24	-26.79	-10.73	212.34
Benchmark	-15.37	-0.36	20.64	65.82

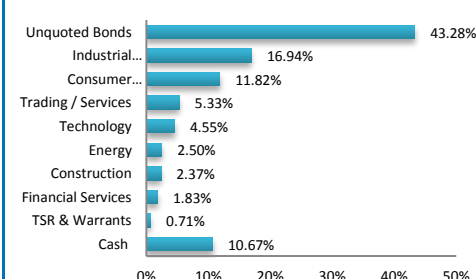
Calendar Year Performance (%)*

	2017	2016	2015	2014	2013
Fund	5.08	-11.62	22.73	2.38	25.10
Benchmark	12.19	-1.96	12.80	8.09	21.51

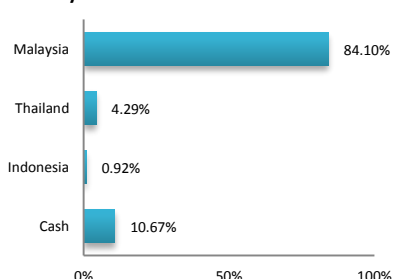
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

BRIGHT FOCUS BHD	2.5% (24/01/2030)	15.53
MEX II SDN BHD	5.7% (29/04/2027)	10.78
GENM CAPITAL BHD	4.98% (31/03/2027)	6.18
BANGKOK AVIATION FUEL SE FOR		4.29
ELSOFT RESEARCH BHD		3.21

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.3199	0.4632	0.9179
Low	0.2973	0.2973	0.2973

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)	Yield (%)
20 Dec 2017	4.5000	9.89
16 Dec 2016	-	-
16 Dec 2015	2.0500	4.27
16 Dec 2014	2.7800	6.05
27 Dec 2013	7.8075	15.58

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

MARKET REVIEW

Global equity market tumbled in the month of October 2018 with the Dow Jones Industrial Average Index (“Dow Jones”) declined more than 9% during the month. This has completely erased the gain for the year and Dow Jones is now trading at the level below 1st January 2018. The meltdown continued towards the end of the month as the United States (“US”) talks about extending tariffs to all Chinese imports. The Nasdaq Composite Index (“NASDAQ”) also briefly broke below 7000 level on news that the United Kingdom (“UK”) might introduce much expected new tax on technology companies.

Asian equity markets were not spared from the meltdown with Taiwan and Korea being the worst hit countries with major indices down approximately -13% to -14%. Technology sector globally suffered the most as Amazon and Google miss earnings. Also, there were reports that China hacked into US companies by implanting a chip on servers destined for the US.

The FBM KLCI declined by 4.7% to close at 1709 points, which are the least affected in the region. Telecommunication and technology sector were the worst performing sector. Foreigners are also concern over rumors of introduction of new taxes. “A New Dawn” investor conference was held on 9 October 2018 with major speakers like Tun Dr. Mahathir bin Mohamad and Finance Minister Lim Guan Eng addressing investors’ concerns. Malaysia is returning back into a position of prudence and is in restructuring mode to fix weaknesses and pare back debt. Slightly reduced GDP growth while improving the daily life outcome of Malaysia’s bottom 40% middle class population is an acceptable balance.

MARKET OUTLOOK AND STRATEGY

Malaysia’s economy is showing resilience and fiscal consolidation may see transitory impact on growth. Hence, going forward, government policy priorities will balance the objectives of fiscal consolidation and ensuring more inclusive economic growth. In this regard, we foresees a short-term impact on economic growth pursuant to the implementation of the fiscal reforms. However, structural policy measures as well as high impact development programme and projects will continue to be implemented, albeit in a more transparent and financially sustainable manner.

In terms of strategy, the equity market is still adjusting to the new government policies and actions, and we are also mindful of the headwinds from global trade tensions and geopolitical events. Domestically, as the priority is to reduce the nation debt, we believe that certain sectors will face lower allocation and some form of new taxes may be introduced to increase the national revenue. Hence, in the near term, we expect the equity market continues to be volatile, but given the opportunity when the valuations reach an attractive level, we will slowly accumulate good quality stocks to benefit the fund in the longer term.

DISCLAIMER:

Based on the fund’s portfolio returns as at 15 October 2018, the Volatility Factor (VF) for this fund is 11.9 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 for the Fund are liquidity risk of underlying investments, interest rate risk, credit/default risk, inflation/purchasing power risk, market risk and particular securities 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.