

### RHB GLOBAL NEW STARS FUND

This Fund aims to achieve medium to long term capital appreciation by investing in initial public offerings ("IPOs"), pre-IPO securities, post-IPO listed securities, debt securities and/or deposits.

#### INVESTMENT STRATEGY

- Up to 98% of NAV: Investments in post-IPO listed securities of approved markets issued within 3 years of their IPOs at the time of investment and securities offered through IPOs which have been approved for listing in the approved markets ("Post-IPO Portion" and "IPO Portion").
- Up to 10% of NAV: Investments in privately placed pre-IPO securities of companies which are established in the approved markets, that is pre-IPO deals of which the investee companies are targeting to obtain a listing on an approved stock exchange, and other corporate finance deals ("Pre-IPO Portion").
- 2% - 5% of NAV: Investments in liquid assets.

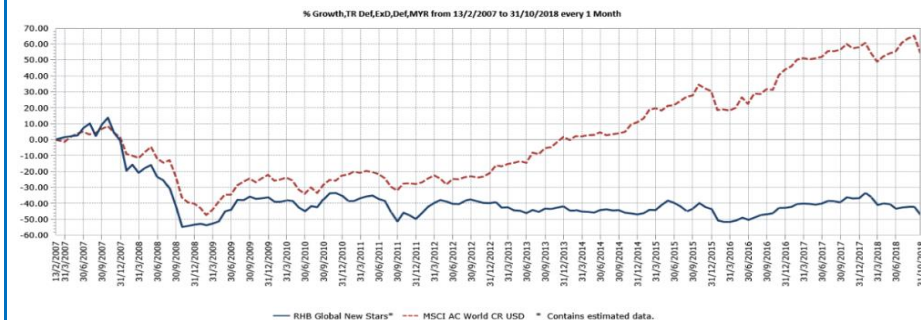
#### INVESTOR PROFILE

This Fund is suitable for investors who:

- are optimistic about investments in companies in the early growth stages;
- wish to participate in the potential upside of IPO;
- seek an investment well diversified across global markets;
- are fairly aggressive and willing to accept moderate to high risk in their investments; and
- prefer capital growth over a medium to long term period.

#### FUND PERFORMANCE ANALYSIS

##### Performance Chart Since Launch\*



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

|           | 1 Month | 3 Months | 6 Months | YTD    |
|-----------|---------|----------|----------|--------|
| Fund      | -8.80   | -8.33    | -12.18   | -16.45 |
| Benchmark | -6.54   | -4.04    | 1.40     | -2.34  |

|           | 1 Year | 3 Years | 5 Years | Since Launch |
|-----------|--------|---------|---------|--------------|
| Fund      | -17.15 | -12.05  | -6.82   | -47.25       |
| Benchmark | -3.56  | 14.77   | 61.81   | 54.27        |

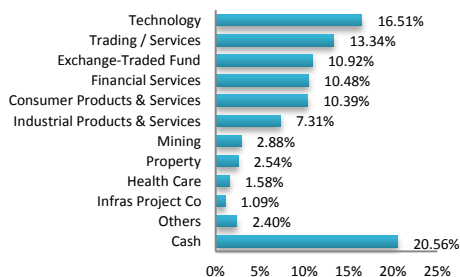
##### Calendar Year Performance (%)\*

|           | 2017  | 2016  | 2015  | 2014  | 2013  |
|-----------|-------|-------|-------|-------|-------|
| Fund      | 10.38 | 1.77  | 6.38  | -9.28 | -3.34 |
| Benchmark | 9.72  | 10.36 | 17.57 | 8.99  | 28.80 |

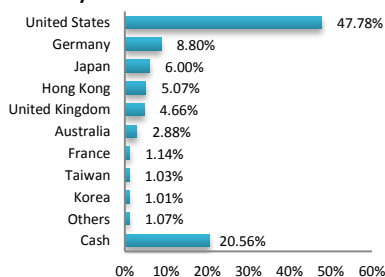
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



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

|                |      |
|----------------|------|
| APPLE          | 2.85 |
| PRUDENTIAL     | 1.90 |
| CITIGROUP      | 1.78 |
| AMAZON.COM     | 1.73 |
| MORGAN STANLEY | 1.73 |

\*As percentage of NAV

#### FUND DETAILS

|                                |  |
|--------------------------------|--|
| Manager                        | RHB Asset Management Sdn. Bhd.                         |
| Trustee                        | HSBC (Malaysia) Trustee Bhd                            |
| Fund Category                  | Equity Fund  |
| Fund Type                      | Growth Fund  |
| Launch Date                    | 24 January 2007  |
| Unit NAV                       | RM0.2488   |
| Fund Size (million)            | RM15.43  |
| Units In Circulation (million) | 62.01  |
| Financial Year End             | 31 December  |
| MER (as at 31 Dec 2017)        | 2.11%  |
| Min. Initial Investment        | RM1,000.00   |
| Min. Additional Investment     | RM100.00   |
| Benchmark                      | MSCI AC World Index (RM)                               |
| Sales Charge                   | Up to 6.00% of investment amount*                      |
| Redemption Charge              | None   |
| Annual Management Fee          | 1.80% 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.

#### FUND STATISTICS

##### Historical NAV (RM)

|      | 1 Month | 12 Months | Since Launch |
|------|---------|-----------|--------------|
| High | 0.2728  | 0.3194    | 0.5417       |
| Low  | 0.2441  | 0.2441    | 0.2098       |

Source: Lipper IM

## RHB GLOBAL NEW STARS FUND

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### MANAGER'S COMMENTS

#### MARKET REVIEW

The market entered a sell-off in the month of October, with the MSCI World falling by 7.6% and wiping out previous gains, bringing the year to date returns to 5.5%. Within sectors, defensives such as utilities (-1.3%) and consumer staples (-2.2%) outperformed in October. Cyclical sectors such as Industrial (-11.0%), energy (-10.7%) and materials (-10.1%) suffered. Within markets, the United States outperformed, (-7.0%) while Japan (-8.5%), Europe (-7.7%) and Asia ex-Japan (-10.9%) underperformed.

The market was jittery with concerns that the global economy reached a major turning point. IMF revised down its global growth forecasts since July 2016. On a brighter note, from the perspective of growth alone, the global growth rate is still at a respectable 3.7% for 2018-19, even after a 0.2 percentage point lower for both years than April forecasts and remaining consistent with the 3.7% forecasted back in 2017. The sell-off has likely overshot fundamentals, as we witness investors overreacting to even modest changes in the late cycle environment.

The United States was the best performer year to date, up +1.4% as share buybacks, earnings growth and fiscal policy have remained supportive to US equities. Within sectors, consumer staples and utilities outperformed in October. After an expected policy rate hike by the FOMC to the target range 2-2.25% in its September meeting, Fed speakers reiterated the case for gradual rate hikes. The dot plot confirmed a December rate hike in line market expectation. The UST 10 years closed the month of October at 3.14%.

As the labour market continued to improve in Europe, the ECB looks set to end its bond-buying programme in December with a first hike in September 2019. But within Europe, looming issues continues with Brexit and U.K. politics, Italian politics with its sovereign rating downgrade by Moody to Baa3 in October, and the possible ending of Chancellor Merkel's era in Germany.

As widely expected, the policy board of the BoJ decided to leave its monetary operation directives unchanged with the text of forward guidance untouched at the 31 October meeting. Importantly, the BoJ further revised down its inflation rate forecasts into FY2020, following major downgrades made at the end-July meeting. The Bank appears to have become even more cautious about the inflation outlook. Since the end-July meeting, it has stressed the importance of impacts of structural disinflationary forces such as technology innovation and changes in logistics structure.

Within Asia, MSCI Philippines (-1.0% USD terms) in October was the best performer despite being less export-led, while MSCI Korea (-14.3%) was the worst performer in August. October was an eventful month from the policy front for China. The PBoC cut RRR by 100bp for most deposit-taking banks on 15th October, and the government announced multiple measures to stabilize the economy and capital markets. For exports, export tax rebates are raised further. For consumption, import taxes have been cut, personal tax threshold were raised and detailed personal income tax deductions were implemented. For corporates, corporate funding support pledged for SMEs and import tariff cuts for industrial goods. The Financial Stability Committee vowed to support the long-term development of the financial markets. CSRC encouraged share buybacks and vowed to guide more long-term capital into the market.

#### MARKET OUTLOOK AND STRATEGY

While Markit Global Manufacturing PMI remained in expansionary territory and remained supportive for the global trend growth, it has eased by 0.1pts to 52.1 in October – a 23-month low. In October, Eurozone Manufacturing PMI saw a sharp 1.2pts drop while US (+0.1pts) and Japan (+0.4pts) gained. China's Caixin increased by +0.1pts to 50.1 and official PMI dropped -0.6pts to 50.2 in October.

The U.S. economy remains supported by fiscal policy. As we approach the midterm elections, there is reduced visibility on policy-making and increased uncertainty, which could lead to lower investment growth. According to some recent surveys, at this juncture, U.S. corporates are concerned about business conditions six months from now. That said, U.S. 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 are encouraged to see continued supportive policies put forward by the Chinese government, while remaining underweight in Europe amid looming politics issues.

Currently, we have slightly skewed our portfolio towards companies with strong balance sheets and good cash flow generation. This has proved to allow us to better weather through market volatility. But at the same time, we are also picking up certain quality names slowly, as valuations have come down quite substantially. Again, we will keep our overall position flexible so that we can catch any market opportunities.

#### DISCLAIMER:

Based on the fund's portfolio returns as at 15 October 2018, the Volatility Factor (VF) for this fund is 12.8 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 September 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 Pre-IPO and IPO risk, country risk, currency risk and market 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.