RHB Asset Management

FUND FACTSHEET – NOVEMBER 2018

All data expressed as at 31 October 2018 unless otherwise stated

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.

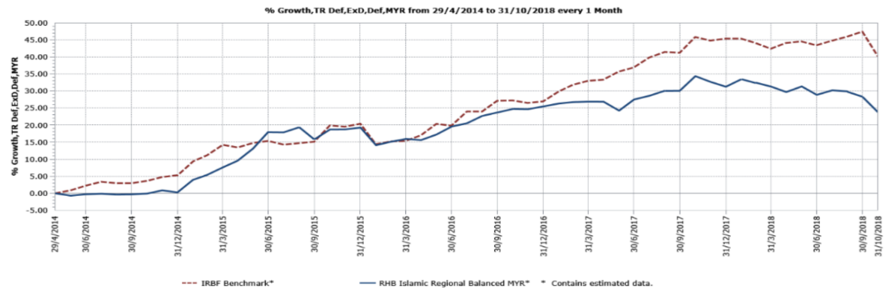
INVESTMENT STRATEGY

• 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	**-3.53**	**-4.83**	**-4.46**	**-5.67**
Benchmark	-4.84	-3.08	-2.63	-3.49

	1 Year	3 Years	Since Launch
Fund	**-7.86**	**4.35**	**23.81**
Benchmark	-3.81	16.97	40.26

Calendar Year Performance (%)*

	2017	2016	2015
Fund	**4.61**	**5.27**	**18.90**
Benchmark	14.50	5.41	14.33

Source: Lipper IM

FUND DETAILS

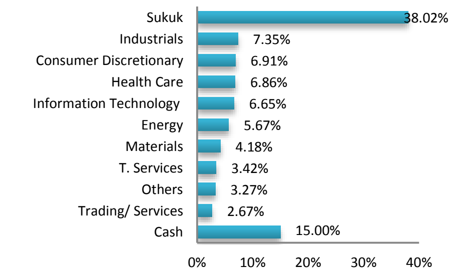
Investment Manager	RHB Asset Management Sdn. Bhd.
Trustee	TMF Trustees Malaysia Bhd
Fund Category	Balanced fund (Shariah-compliant)
Fund Type	Income and growth
RM Class Launch Date	08 April 2014
USD Class Launch Date	17 June 2014
Domicile	Malaysia
Base Currency	Malaysian Ringgit (RM)
Unit NAV	RM1.2385
Fund Size (million)	RM169.12
Units In Circulation (million)	136.55
Financial Year End	30 April
MER (as at 30 Apr 2018)	2.09%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	50% RAM QuantShop GII (medium term) Index + 50% FTSE Shariah Developed Asia Pacific Index
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 0.06% p.a. of NAV, subject to a min. of RM18,000p.a.*
Switching Fee	RM25.00 per switch*
Distribution Policy	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.*

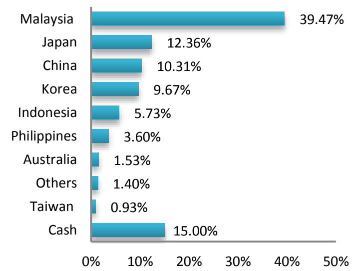
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

YTL POWER ISLAMIC MEDIUM TERM NOTE 5.050% (03/05/2027)	3.29
GII MURABAHAH 1/2017 (26/07/2027)	2.97
AFFIN ISLAMIC PERPETUAL AT1 SUKUK WAKALAH (T1)	2.97
SAMSUNG ELECTRONICS	2.76
TAKEDA PHARMACEUTICAL	2.40

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.2838	1.3616	1.3616
Low	1.2200	1.2200	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. Trade war remain the key risk to the market after China cancels the trade talks with the United States (US). On the bright spot, US will lead the global recovery in the second half of the year amid better corporate earnings. We remain overweight on equity allocation, but skewed towards sectors that have positive catalysts in the near term.

Energy sector has become the core of our investment for the rest of the year amid global supply constraint. Oil reserve plunges due to underinvestment in new supply for conventional oil discoveries. Reserve Replacement Ratio (RRR) has fallen to the lowest level since the 1980s, while capital investment of major oil companies remains at decade lows. Demand for energy remain very strong underpinned by structural demand growth in China and India.

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

The market rhetoric on Federal Reserve (Fed) to be within its hiking trajectory path, had been seen as the driving force for stronger United States Dollar (USD). However that argument seems to be fading of late. While there was significant expectations being built up for a sustained tightening by the Fed when the accommodative word was left out of the communique in the September Federal Open Market Committee (FOMC), market pricing however is gradually switching towards some form of lethargy in arguing for sustained tightening of monetary policy by the Fed. We see less room for fresh USD-positive surprises given 2018 hikes have put the Fed Fund Rate (FFR) closer to its terminal value, worsening US fiscal outlook and November mid-term election remains another source of uncertainty, which may induce flexibility to the timing of any tightening, with delays a modest possibility. A mechanical approach to tightening may not be well-suited to meet the challenges to be faced beyond 2018.

Nonetheless, global bond yields are creeping upwards in line with the movement of US Treasuries as Fed's normalisation remains on track. In fact there are views of further rate hike in Q4 2018, taking cue from robust US economic data. US stronger cyclical performance should allow the Fed to keep hiking throughout 2019 to reach a terminal fed funds target rate of 3.5%.

We believe that the argument of a tightening monetary condition by the Fed to drive the USD higher is gradually fading and this in turn could provide the well needed reprieve for Emerging Market (EM) asset classes if the USD shows an inclination to retrace or even to stabilize at the low 90s in its index. Until then the low high's for the USD is a more likely scenario going forward.

For Malaysian market outlook, the key event in November 2018 will be the much anticipated Budget 2019 which will be tabled on 2 November 2018 where rating agencies and the market will watch closely due to the recent fiscal developments. The Government is expected to remain committed towards fiscal consolidation over the medium-term. Local bond/sukuk market remain resilient and holding up well as the adjusted higher yield level quickly been met by the real money investors and bargain hunters as lower inflation and Gross Domestic Product (GDP) numbers bode well for local bonds/sukuk market. As inflation remains within comfortable ranges, we expect the Overnight Policy Rate (OPR) to also remain unchanged in the medium term.

Going forward, although Malaysian Ringgit bond/sukuk yields are likely to be influenced by upward pressure as US Fed normalization continues to resonate on top of the uncertainties of global macro-economic landscape. We are still upbeat on 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/sukuk on healthy credit spreads and yield premium.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 October 2018, the Volatility Factor (VF) for this fund is 5.1 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.

RHB Asset Management Sdn Bhd (174588-x) **Head Office: Level 8, Tower 2 & 3, RHB Centre, 50400 Kuala Lumpur** **General Line: 603-9205 8000**