

### 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:

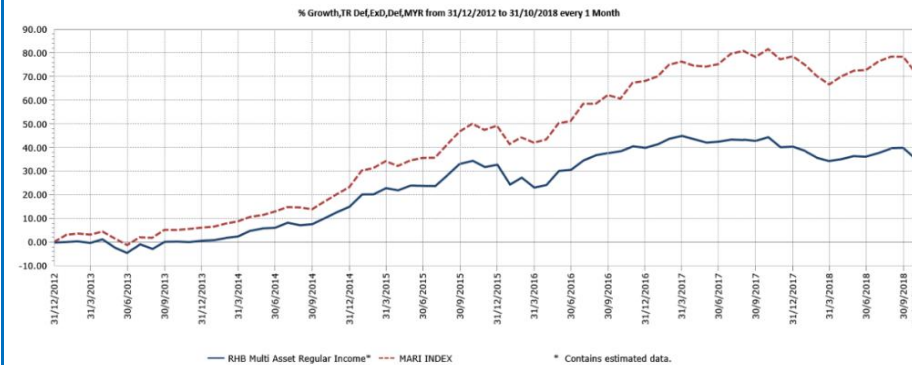
- seek regular income and capital growth over the medium to long term;
- are willing to accept moderate risk in their investments; and
- wish to benefit from investment exposure in the Asia and Asia Pacific (ex Japan) region.

#### 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	-3.39	-1.96	-0.10	-3.76
Benchmark	-3.85	-2.77	0.85	-3.95

	1 Year	3 Year	5 Year	Since Launch
Fund	-6.43	0.39	34.49	35.03
Benchmark	-5.56	14.30	63.25	71.51

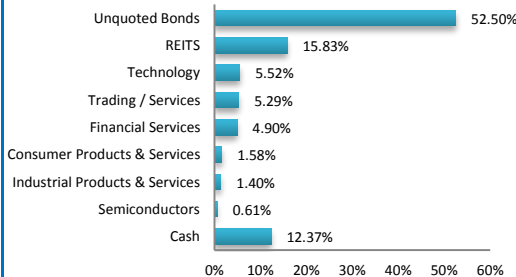
##### Calendar Year Performance (%)\*

	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

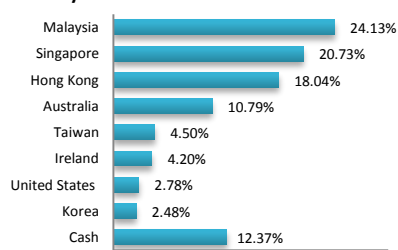
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



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

TNB 4.95% (03/08/2032)	14.19
PAKUWON PRIMA 5% (14/02/2024)	8.47
PUTRAJAYA IMTN 4.58% (26/05/2026)	8.35
FAR EAST HORIZON LTD@FLOAT (3/7/2021)	4.62
HSBC HOLDING 5% (24/9/2023)	4.20

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5288	0.5564	0.6266
Low	0.5081	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.

## RHB MULTI ASSET REGULAR INCOME 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 overshoot fundamentals, as we witness investors overreacting to even modest changes in the late cycle environment.

Within Asia, MSCI Philippines (-1.0% USD terms) was the best performer in October, amid lower export-led growth. While MSCI Korea (-14.3%) was the worst performer for the month. October was an eventful month on the policy front for China, where the People's Bank of China cut RRR by 100bp for most deposit-taking banks on 15 October, and the government announced multiple measures to stabilize capital markets. For export, export tax rebates were raised further. For consumption, import tax has been cut, personal tax thresholds raised and detailed personal income tax deductions. 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.

The JP Morgan Asia Credit Index (JACI) trended down at -1.13% in October. Sri Lanka was the worst performer with a -7.17% return due to ongoing political uncertainty. During the month, South Korea issued 2 new bonds with a total notional of USD1bn, which entered the index.

#### MARKET OUTLOOK AND STRATEGY

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 at the earliest. 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 Chancellor Merkel's era in Germany.

As expected, the policy board of the Bank of Japan decided to leave its monetary operation directives unchanged with the text of forward guidance untouched at the 31 October meeting. More importantly, the BoJ further revised down its inflation rate forecasts into 2020, 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 importance of impacts of structural disinflationary forces such as technology innovation and changes in logistics structure.

We continue to position our portfolio defensively amidst volatile market condition. Despite our fund's outperformance relative to benchmark in October, our stock holdings were hit by the general weak market condition. Our REIT positions were generally more defensive in nature and performed relatively better than equities in October. The top contributor for the month was Mapletree Commercial Trust, which owns retail and office space in Singapore, while our top three detractors for the month were Genting Malaysia, Baidu and Link REIT. We tactically reduced our position in Genting Malaysia in anticipation of a potential gaming tax hike, which eventually materialized in early November. However, the decline in share price in October still dragged on our fund's overall performance. Baidu delivered solid 3Q18 results in late-October but failed to lift its share price amidst weak market condition. We remain positive on Baidu's long-term outlook on the back of structural growth in online advertising. Link REIT, once the best performer of our REIT holdings, also corrected sharply in the month along with general market decline.

During the period under review, we exited our position in Tencent Holdings, given that new evidence suggests that the Chinese government is unlikely to resume the new game approval in the near-term. The new game approval halt is likely to dampen Tencent's near-term revenue and earnings growth. We remain bullish on Tencent in the long run, but are cautious on the near-term earnings risk. Within China's Internet sector, we remain positive on Baidu and Alibaba due to their structural growth story without any significant regulatory risks clouding their business outlook.

#### DISCLAIMER:

Based on the fund's portfolio returns as at 15 October 2018, the Volatility Factor (VF) for this fund is 6.6 and is classified as "Moderate". (source: Lipper) "Moderate" includes funds with VF that are above 6.6 but not more than 8.7 (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 6 October 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 currency risks, country risk, regional risk, liquidity risk, default and credit risk, interest rate risk, risk of using rating agencies and other third parties, REITs management risk, real estate risk and derivative 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.