

RHB SMART TREASURE FUND

This Fund aims to achieve long term capital appreciation through investments in a portfolio comprising subscriptions for Initial Public Offerings ("IPO"), low priced securities, medium priced securities and the top 50 listed stocks of the BMSB (in terms of market capitalization) that amongst other things, offer high growth potential.

INVESTMENT STRATEGY

- 0% - 10% of NAV: Investments in subscriptions for Initial Public Offerings ("IPO").
- 20% - 60% of NAV: Investments in low priced securities (less than RM2.00).
- 15% - 50% of NAV: Investments in medium priced securities (RM2.00 to RM5.00).
- 15% - 40% of NAV: Investments in the top 50 stocks of the Bursa Malaysia (in terms of market capitalisation) and/or investments in securities priced above RM5.00 that are not in the top 50 stocks of Bursa Malaysia.
- 2% - 30% of NAV: Investments in fixed income securities, money market instruments, cash and deposits with financial institutions.

INVESTOR PROFILE

This Fund is suitable for investors who:

- are aggressive; and
- willing to accept high risk in order to obtain high capital growth over a long term period.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	-5.52	-7.07	-8.96	-21.54
Benchmark	-6.09	-6.83	-9.70	-9.06

	1 Year	3 Years	5 Years	Since Launch
Fund	-26.31	-30.90	-5.88	245.09
Benchmark	-6.57	1.69	-6.35	103.72

Calendar Year Performance (%)*

	2017	2016	2015	2014	2013
Fund	1.92	-16.84	40.04	-2.00	16.16
Benchmark	12.87	-2.77	-2.26	-6.13	12.38

Source: Lipper IM

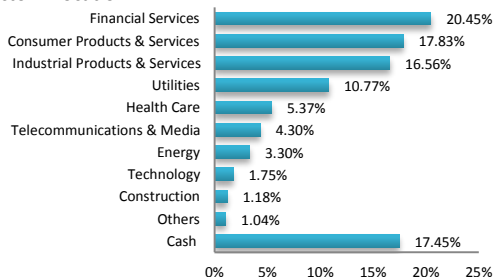
FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Equity Fund
Fund Type	Aggressive Growth Fund
Launch Date	07 September 2004
Unit NAV	RM0.4075
Fund Size (million)	RM151.33
Units In Circulation (million)	371.33
Financial Year End	31 March
MER (as at 31 Mar 2018)	1.68%
Min. Initial Investment	RM200.00
Min. Additional Investment	Any amount
Benchmark	FBM EMAS Index
Sales Charge	Up to 5.26% of investment amount*
Redemption Charge	None
Annual Management Fee	1.50% p.a. of NAV*
Annual Trustee Fee	Up to 0.07% p.a. of NAV*
Switching Fee	None/ RM25.00 per switch* where applicable
Redemption Period	Within 10 days after receipt the request to repurchase
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*



Top Holdings (%)*

PUBLIC BANK BHD	7.92
MALAYAN BANKING BHD	7.14
TENAGA NASIONAL BHD	6.56
PETRONAS CHEMICALS GROUP BHD	3.81
CIMB GROUP HOLDINGS BHD	3.66

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.4317	0.5540	1.0232
Low	0.4017	0.4017	0.4017

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)	Yield (%)
22 Mar 2017	2.0000	3.45
28 Mar 2016	6.6400	10.29
15 Apr 2015	6.4000	10.37
27 Mar 2014	6.4000	10.55
28 Mar 2013	5.0000	8.72

Source: RHB Asset Management Sdn. Bhd.

RHB SMART TREASURE FUND

This Fund aims to achieve long term capital appreciation through investments in a portfolio comprising subscriptions for Initial Public Offerings (“IPO”), low priced securities, medium priced securities and the top 50 listed stocks of the BMSB (in terms of market capitalization) that amongst other things, offer high growth potential.

MANAGER’S COMMENTS

MARKET REVIEW

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

Asia was 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.

FBM KLCI declined by 4.7% to close at 1709 points, which are the least affected among the region. Telecommunication and technology sector were the worst performing sector. Foreigners also concern over rumors of introduction of capital gain tax. “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. Pakatan Harapan government aims to scale back equity stake in GLCs (to help with Budget 2019) and over time reduce “crowding out” of private businesses. Greater equity participation will be encouraged and a higher free-float eventually will help improve liquidity and cost of funding.

On the corporate front, MYEG and Datasomic share price was battered on worries about the fallout from the charges against former deputy prime minister Datuk Seri Ahmad Zahid Hamidi. On 19 October 2018, MYEG share prices hit limit down and trading was suspended in the afternoon session. MYEG released a press statement to Bursa Malaysia last Friday that its company was not implicated in the charges against Datuk Seri Ahmad Zahid Hamidi. The Malaysian government has rescinded its earlier decision to terminate MMC-Gamuda Joint Venture’s contract for the Klang Valley MRT Line 2 (MRT2) underground works. The contract value will be reduced by RM3.6bn to RM11.9bn. The Energy, Green Technology, Science and Climate Change Minister Yeo Bee Yin announced that four proposed IPP contracts have been cancelled. These are (a) TNB and Malakoff’s 700MW gas plant in Kapar; (b) TNB and Aman Majestic Sdn Bhd’s 1,400MW plant in Paka; (c) Sabah Development Energy (Sandakan) Sdn Bhd and SM Hydro Energy Sdn Bhd’s 300MW gas plant in Sandakan; and (d) Edra Power Holdings Bhd’s 400MW solar plant.

MARKET OUTLOOK AND STRATEGY

Malaysia’s economy is showing resilience and continues to perform however at moderating pace. 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 foresee 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 programmes and projects will continue to be implemented, albeit in a more transparent and financially sustainable manner. The growth outlook until 2020 can be deemed as cautiously optimistic.

Overall, we retain our view that the stock market could be volatile in the months ahead due to short-term domestic policy uncertainty and external risk factors. However, we are positive on the government’s push to reform the country in the medium-to-long term. Budget announced seen the government’s effort in trying to manage the market expectation and the budget deficit. As the priority is to reduce the nation debt, gaming taxes was increased substantial to cushion the national revenue loss due to GST.

DISCLAIMER:

Based on the fund’s portfolio returns as at 15 October 2018, the Volatility Factor (VF) for this fund is 14.1 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 15 June 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 risk of the Fund is IPO risk. This risk 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.