

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:

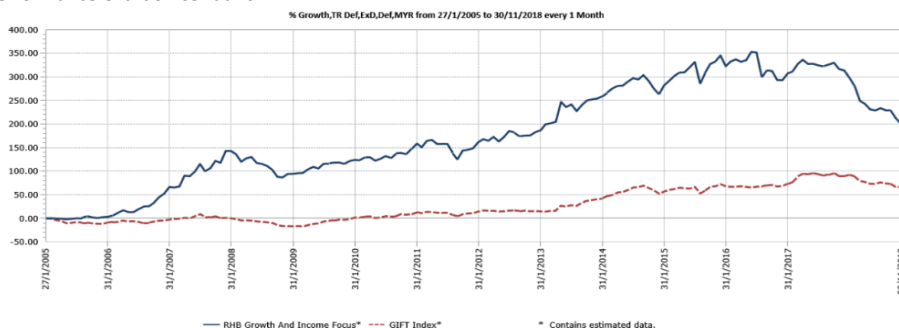
- seek long term capital appreciation through investments in high growth potential small cap securities whilst requiring the flexibility of a conservative portfolio of fixed income securities in order to capitalise and adapt to prevailing market conditions; and
- are willing to accept slightly higher 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	-3.74	-8.51	-9.03	-27.20
Benchmark	-0.06	-4.76	-4.12	-12.20

	1 Year	3 Years	5 Years	Since Launch
Fund	-27.71	-30.38	-14.59	200.67
Benchmark	-12.26	-1.05	19.31	65.73

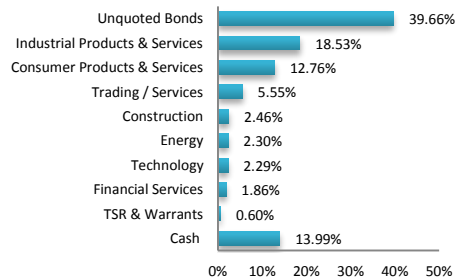
Calendar Year Performance (%)*

	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

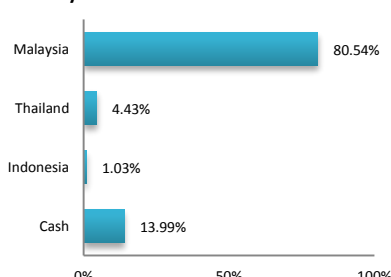
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

BRIGHT FOCUS BHD 2.5% (24/01/2030)	13.54
MEX II SDN BHD 5.7% (29/04/2027)	11.43
BANGKOK AVIATION FUEL SERVICES	4.43
FORMOSA PROSONIC INDS BHD	3.88
SLP RESOURCES BHD	3.39

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.3072	0.4484	0.9179
Low	0.2912	0.2912	0.2912

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 markets rose 3.3% in the last week of November 2018 to advance 1.3% during the month, thereby curtailing year-to-date (YTD) losses to 4.3%, as Federal Reserve Chairman Jerome Powell hinted at the possibility of approaching the end to the hiking cycle. The Asia ex-Japan equities rose 5.2% in November 2018, reducing YTD losses to -13.9%. The promise of an accommodative stance from the government, especially towards the private sector, at the end of October 2018 and optimism around a temporary truce in the United States-China trade war provided impetus to China (7.3%) and Hong Kong (7.0%) equities market respectively.

FTSE Bursa Malaysia KLCI Index (KLCI) posted its third consecutive monthly decline of 1.7% month-on-month in November 2018. The KLCI fell 29.4 points to close at 1,679 points at end November 2018. As a result, KLCI's YTD losses widened to 6.5%. We believe the decline could be due to foreign selling, and weaker than expected results from corporate earnings season. Foreigners were again net sellers in November 2018 with a net outflow of RM0.7 billion. Malaysia real Gross Domestic Product (GDP) growth softens to 4.4% year-on-year (YoY) in third quarter 2018 (from 4.5% YoY in second quarter 2018), which is a tad lower than market consensus of 4.6% YoY. A mildly expansionary 2019 Budget with allocations for tax refunds and supportive measures has also provided more policy clarity.

MARKET OUTLOOK AND STRATEGY

The recent sell off in risk assets primarily reflects fears of weaker growth and a slowdown in corporate earnings in 2019. Sentiment on Emerging Markets (EM) appears to be fairly cautious. Many expect a further escalation in trade tensions and assume EM will struggle in that environment. Trade war between major economies namely USA, China, European Union, Canada and Mexico remain in global trade radar as downside risks. What no one has been able to predict is how far the Trump's Administration is prepared to put global growth at risk. At this moment, markets have resisted from pricing in a worst case scenario simply because rational investors argue that a full-blown trade war would be a counter-productive exercise that would stunt global trade and economic growth.

Domestically, Malaysia's economy remains resilient despite the modest GDP growth, which is in line with a trend of slowing growth in the region. EM growth has been waning since March this year, affected by rising global interest rates, trade tensions, and idiosyncratic stress events in Argentina and Turkey. The review of mega infrastructure projects may have some impact on overall business confidence and investment flows. However, the new government promise to respect the rule of law, eliminate corruption and cronyism, and promote transparency and principles of good governance bodes well for the country's future in all respects.

In terms of strategy, the equity market will continue to adjust to external developments especially on the global trade tensions, rising U.S. interest rate and domestically on the new government's policies and actions. 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 November 2018, the Volatility Factor (VF) for this fund is 11.8 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 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.