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 Gil (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 Gil (medium term) Index and 50% Dow Jones Islamic Market Asia Pacific Index.

Cumulative Performance (%)*

<table>
<thead>
<tr>
<th></th>
<th>1 Month</th>
<th>3 Months</th>
<th>6 Months</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund</td>
<td>0.22</td>
<td>1.84</td>
<td>0.71</td>
<td>4.62</td>
</tr>
<tr>
<td>Benchmark</td>
<td>-0.13</td>
<td>1.48</td>
<td>1.36</td>
<td>4.87</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>1 Year</th>
<th>3 Years</th>
<th>5 Years</th>
<th>Since Launch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund</td>
<td>-1.71</td>
<td>3.98</td>
<td>28.06</td>
<td>27.56</td>
</tr>
<tr>
<td>Benchmark</td>
<td>-1.51</td>
<td>15.92</td>
<td>39.55</td>
<td>43.73</td>
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</table>

Calendar Year Performance (%)*

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
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<tbody>
<tr>
<td>Fund</td>
<td>-7.11</td>
<td>4.61</td>
<td>5.27</td>
<td>18.90</td>
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<tr>
<td>Benchmark</td>
<td>-5.70</td>
<td>14.50</td>
<td>5.41</td>
<td>14.33</td>
</tr>
</tbody>
</table>

Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*

Country Allocation*

<table>
<thead>
<tr>
<th>Country</th>
<th>Malaysia</th>
<th>Japan</th>
<th>Korea</th>
<th>China</th>
<th>Japan</th>
<th>Korea</th>
<th>China</th>
<th>Japan</th>
<th>Korea</th>
<th>Cash</th>
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<tr>
<td></td>
<td>21.56</td>
<td>10.19</td>
<td>37.60</td>
<td>5.75</td>
<td>4.49</td>
<td>4.17</td>
<td>2.79</td>
<td>2.42</td>
<td>1.61</td>
<td>9.32</td>
</tr>
</tbody>
</table>

| Top Holdings (%)* | YTL POWER IMTN** | 5.050% (03/05/2027) | 2.89 |
|                   | SAMSUNG ELECTRONICS | | 2.59 |
|                   | MEX II IMTN** | 6.300% (29/04/2023) Issue No 13 | 2.55 |
|                   | MUAMALAT IMTN** | 5.500% (25/11/2021) | 2.54 |
|                   | JEP IMTN** | 6.200% (04/12/2031) Tranche 22 | 2.32 |

*As percentage of NAV, ** IMTN: Islamic Medium Term Note

FUND DETAILS

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: RM1.2760
Fund Size (million): RM205.39
Units In Circulation (million): 160.96
Financial Year End: 30 April
MER (as at 30 Apr 2019): 2.01%
Min. Initial Investment: RM1,000.00
Min. Additional Investment: RM100.00
Benchmark: 50% RAM QuantShop Gil (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 RM18,000 p.a.*
Switching Fee: RM25.00 per switch*
Distribution Policy: Annually, if any

FUND STATISTICS

Historical NAV (RM)

<table>
<thead>
<tr>
<th></th>
<th>1 Month</th>
<th>12 Months</th>
<th>Since Launch</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>1.2760</td>
<td>1.3095</td>
<td>1.3616</td>
</tr>
<tr>
<td>Low</td>
<td>1.2468</td>
<td>1.2132</td>
<td>0.9739</td>
</tr>
</tbody>
</table>

Source: Lipper IM
RHB ISLAMIC REGIONAL BALANCED FUND - MYR CLASS

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MANAGER’S COMMENTS

MARKET OUTLOOK AND STRATEGY

Equity

Macro headwinds particularly United States (US) - China trade tensions and slower global economic growth remain the key dampener for the Malaysian market. Although Malaysia chalked better than expected 2Q19 Gross Domestic Product (GDP) growth, corporate earnings still disappoint as can be seen from the recent 2Q19 results season. More companies ended up missing earnings expectations and with slower Purchasing Managers’ Index (PMI) numbers, we believe that market performance will be cap by weak earnings number going forward. Our strategy is to accumulate on weaknesses as the market still lack of catalysts.

Sukuk

Sequential upside surprises in the Malaysia’s GDP numbers should help alleviate pertinent concerns of a potentially steeper slowdown stemming from double whammy from domestic factors as well as rising downside risks from the global economy although a simultaneous fall in imports is viewed as not encouraging as it suggests softening domestic demand ahead.

Bank Negara Malaysia (BNM) has also announced further liberalization of Foreign Exchange Administration (FEA) Rules to support the market’s liquidity. We remain constructive that the measures will bode well to support the case of Malaysia’s continued inclusion in the World Government Bond Index (WGBI) by FTSE Russell.

Against the backdrop of a challenging global environment, Malaysia economy is expected to remain broadly stable supported by continued expansion in domestic demand while private sector spending is anticipated to remain the key driver of growth. We opined that the outlook for the rest of 2019 will still highly influenced by the development on external front and with general dovish policy signals by major central banks, benign inflation outlook for Malaysia indicates more space for BNM to prescribe additional monetary easing if the situation permits.

In the local fixed income market, supply technical for the second half of 2019 is envisaged to be favourable especially in the fourth quarter where hefty maturities of Malaysia Government Securities (MGS) and Government Investment Issues (GII) could further support the government yields during the anticipated period. We view that the risk of FTSE Russell’s decision is unlikely to disrupt market stability on the back of ample domestic liquidity and lowest foreign holdings since November 2011. Nevertheless, it may still exert some pressure in MGS/GII curve in addition to the net supply of Malaysian Ringgit (MYR) 4.7 billion in this upcoming quarter. Therefore, we remain positioned to capture any opportunities as volatility is expected to surface due to the uncertainty at the time where tightening pricing could turn less favourable in term of risk-reward perspective. Consequently, in a low rates environment where reinvestment risk will be a challenge, we advocate an active management strategy where we will be deploying cash into undervalued government bonds/sukuk and selective credits with greater efforts in secondary trading in order to achieve higher total return.

DISCLAIMER:

Based on the fund’s portfolio returns as at 10 August 2019, the Volatility Factor (VF) for this fund is 5.7 and is classified as “Low”. (source: Lipper) “Low” includes funds with VF that are above 1.9 but not more than 6.5 (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 VF referred to was dated 30 June 2019 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 2019.

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(es) 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.

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