

RHB DANA ISLAM

This Fund aims to provide investors with above average capital growth over a medium to long-term period by investing in a carefully selected portfolio of stocks which complies with the Shariah principles.

INVESTOR PROFILE

This Fund is suitable for Investors who:

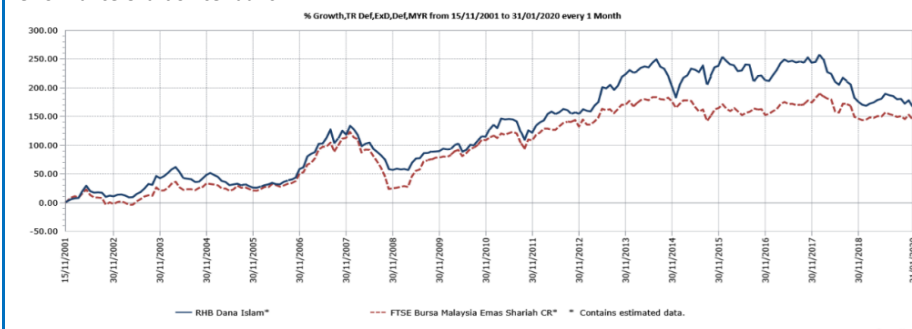
- are looking for investments in a diversified portfolio of assets that comply with Shariah requirements;
- are willing to accept moderate to high risk in their investments; and
- prefer capital growth rather than income over a medium to long-term period.

INVESTMENT STRATEGY

- 90% - 98% of NAV: Investments in Shariah-compliant equity and equity related securities of companies that have good growth potential.
- 2% - 10% of NAV: Investments in Shariah-compliant liquid assets comprising of cash and Islamic deposits with financial institutions, Islamic accepted bills, sukuk, Cagamas sukuk, Government Investment Issues and any other Shariah-compliant instruments capable of being converted into cash within seven (7) days.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	-4.01	-4.88	-7.01	-4.01
Benchmark	-3.31	-2.34	-3.75	-3.31

	1 Year	3 Years	5 Years	Since Launch
Fund	-0.61	-17.23	-12.70	166.28
Benchmark	0.00	-5.52	-10.11	144.86

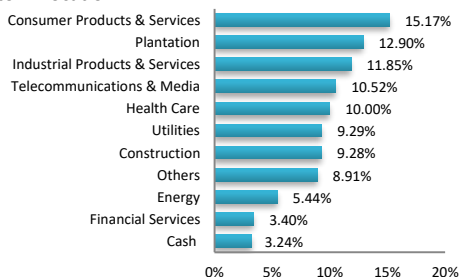
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	2.78	-21.71	10.66	-11.91	25.01
Benchmark	3.85	-13.52	10.72	-6.14	2.35

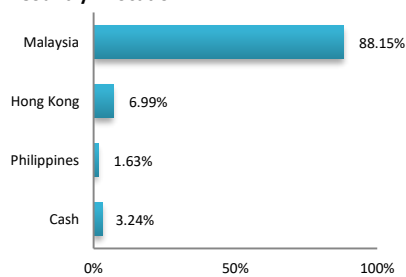
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

TENAGA NASIONAL BHD	8.02
AXIATA GROUP BHD	4.93
IHH HEALTHCARE BHD	4.73
IOI CORP BHD	4.16
PETRONAS CHEMICALS GROUP BHD	4.02

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.7170	0.7511	1.0965
Low	0.6804	0.6804	0.4737

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
22 Mar 2018	2.2000	2.42
20 Apr 2017	1.7500	1.90
28 Mar 2016	6.6000	6.89
15 Apr 2015	6.5000	6.49
27 Mar 2014	6.6000	6.54

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

MARKET REVIEW

Investor sentiment on global equities was riding high in the beginning of Jan 2020 before falling prey to the Coronavirus-induced pneumonia outbreak in Wuhan, China. Global equities lost 3.6% in the last two weeks to end the month of January 2020 down 1.2%, as the risk of contagion from the potential epidemic threatens to derail the recovery in global growth. Investors sought refuge in safe havens such as Gold (4.7%) and United States Treasuries (UST) (10-year yields down from 1.9% to 1.5%), leading to a sell-off in risky assets. Commodities, too, suffered from concerns over the potential return of global growth slowdown, with Brent crude oil tumbling 11.9%, copper 9.8% and aluminium 4.9%.

While the FBM KLCI index did have a boost at the start of the year, it all went downhill from the second week onwards when the news broke out on Iran hitting a United States (US) military base in Iraq in retaliation against US forces for the killing of general Qasem Soleimani in Baghdad. The index hasn't really looked back since with major global news headlines focusing on anything and everything relating to the coronavirus. In line with the global risk off sentiment, the FBM KLCI and FBM Emas Shariah Index closed -3.6% and -3.3% respectively for the month of January 2020. Commodities particularly Brent crude oil and crude palm oil were sold down due to fears over softer demand. Concern on demand on Crude Palm Oil (CPO) from China coupled with news on India restricting purchases of refined palm oil from Malaysia led the CPO futures to also fall -15% to RM2,650/metric tonne. Winners to start the year were seen in gloves and healthcare. Major losers for the month were the energy index (as global oil prices tumbled on macro concerns) and plantations.

MARKET OUTLOOK AND STRATEGY

Corona virus will have a short term impact on regional Growth Domestic Product (GDP) growth. The stricter quarantines and travel bans issued now will likely hurt consumer and traveler sentiment more than did the efforts to counter Severe Acute Respiratory Syndrome (SARS). Asian economies entered this crisis with much less momentum than during SARS, and we see a risk that macro weakness could persist even after the Corona virus recedes. Hong Kong, Singapore, Thailand and China are the most vulnerable. Indonesia and India the least vulnerable. Among sectors, the virus should not greatly affect global Information Technology demand and could help Internet names with e-commerce businesses.

We remain constructive on plantation sector and would look for buying opportunities given weakness in current share price. CPO price corrected by -13.4% from RM3,052/metric tonne levels end-2019, and similarly share prices of the Malaysian planters by 8-9%. The weakness was initially due to concerns on India's imposing restrictions on imports of refined palm oil ban from Malaysia and exacerbated by concerns on China's demand due to coronavirus. We reckon that fundamentals remain intact with a tight stock-to-usage ratio which will be more apparent towards the end of March 2020. In our view, India's restrictions on Malaysia CPO is expected to be temporary as China and Pakistan may source more CPO from Malaysia.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 January 2020, the Volatility Factor (VF) for this fund is 9.4 and is classified as "High". (source: Lipper) "High" includes funds with VF that are above 8.8 but not 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 31 December 2019 which is calculated once every six months and is valid until its next calculation date, i.e. 30 June 2020.

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 of the Fund are market risk and particular security 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.