

RHB ISLAMIC REGIONAL BALANCED FUND - USD 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:

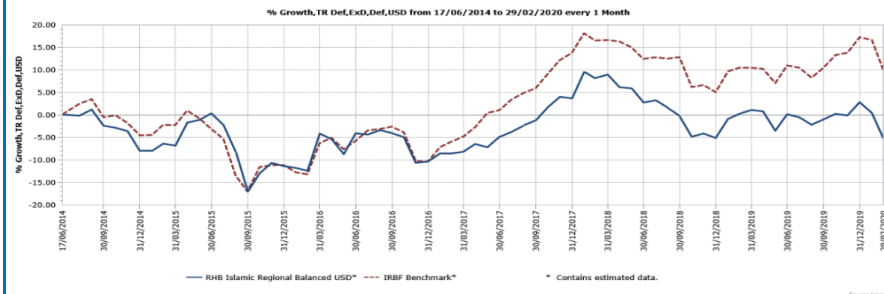
- want to have a balanced portfolio that provides both income and capital growth, and at the same time complies with the principles of Shariah; and
- are willing to accept moderate risk in their investments.

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

Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	-5.60	-5.06	-3.07	-7.77
Benchmark	-5.68	-3.32	1.61	-6.18

	1 Year	3 Years	5 Years	Since Launch
Fund	-5.37	3.67	1.36	-5.18
Benchmark	-0.42	17.00	12.53	9.97

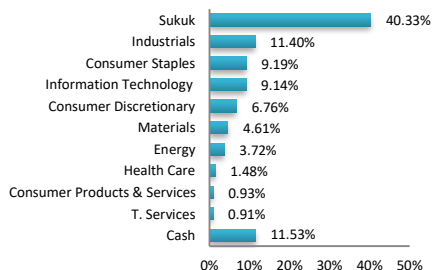
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	8.36	-8.44	15.58	1.11	-3.58
Benchmark	11.60	-7.65	26.92	0.88	-6.90

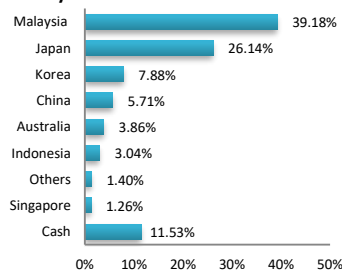
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

SAMSUNG ELECTRONICS	4.16
WCT IMTN** 6.000% (27/09/2119)	3.09
YTL POWER IMTN** 5.050% (03/05/2027)	3.02
MUAMALAT IMTN** 5.500% (25/11/2021)	2.63
NIDEC	2.48

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

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.0220	1.0421	1.1106
Low	0.9482	0.9482	0.8295

Source: Lipper IM



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MANAGER’S COMMENTS

MARKET OUTLOOK AND STRATEGY

Equity

We believe that the Coronavirus Disease 2019 (COVID-19) virus should pass but we are not sure how long and how far the virus will spread. Hence, impact to the global economy is not quantifiable at this juncture. We expect market volatility to persist in the short term and we will adopt a more trading approach to add value to the portfolio. On a positive note, respective countries including the G7 are coordinating to support the global economy through monetary easing and fiscal stimulus. In addition, valuation is attractive with some equity market trading close to Global Financial Crisis (GFC) level. As the situation is quite fluid, we will continue to track the spread of Covid-19 virus, economic data and corporate earnings and rebalance the portfolio accordingly.

Sukuk

Amid concerted monetary easing by regional central banks to support growth trajectory, we expect bond yields to remain supported with prospects of growth moderating lower as global economies embark on easing measures coupled with stimulus efforts to alleviate concerns over increased downside risk to growth from coronavirus epidemic.

Global economic recovery is likely to be affected, given the widespread impact of the outbreak. Although the Phase-1 agreement of United States-China trade negotiations briefly reduced global uncertainty, the outbreak is expected to depress the Chinese economy and hamper the sustainability of the global economic recovery, at least in 1Q20. The impact on financial markets has also been seen in affected countries.

Hence for local economy, given the new additional downside risk of the COVID-19 outbreak and its impact on tourism and production, we could likely see growth being kept lower in 1H20. However, the Government economic stimulus of RM20.0 billion should somewhat provide an offset, with recovery likely to be seen in 2H20.

Overall, we feel that the balance of risks is tilted towards the downside. The viral outbreak may not only cause lower tourist arrivals, but also lead to greater supply disruption in China and impact the rest of the world. As a result, we revise our Gross Domestic Product (GDP) growth forecast to 4.0% for 2020 from 4.3%.

On that note, we expect further Overnight Policy Rate (OPR) and Statutory Reserve Requirement (SRR) cuts to be announced by Bank Negara Malaysia (BNM) at the earliest in March Monetary Policy Committee (MPC) meeting. We therefore looking at extending duration positioning and overweight in bonds for balance mandates.

DISCLAIMER:

Based on the fund’s portfolio returns as at 11 February 2020, the Volatility Factor (VF) for this fund is 7.9 and is classified as “Moderate”. (source: Lipper) “Moderate” includes funds with VF that are above 6.1 but not more than 8.8 (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 Prospectus dated 3 November 2017 and its supplementary(ies) (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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