

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:

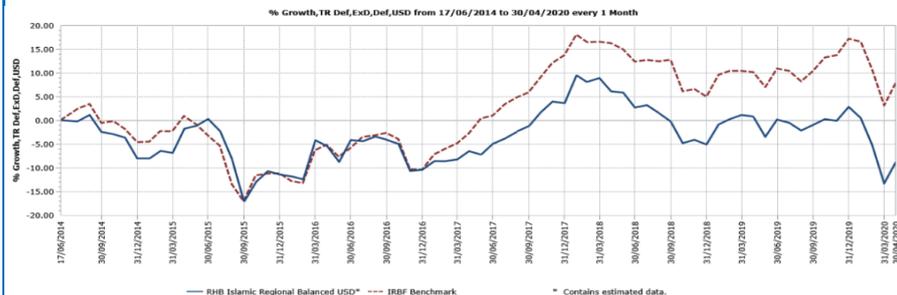
- want to have a balanced portfolio that provides both income and capital growth, and at the same time complies with the principles of Shariah; and
- are willing to accept moderate risk in their investments.

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	5.21	-9.19	-9.00	-11.28
Benchmark	4.67	-7.38	-4.66	-7.87

	1 Year	3 Years	5 Years	Since Launch
Fund	-9.50	-2.53	-7.13	-8.79
Benchmark	-2.00	11.05	7.03	7.99

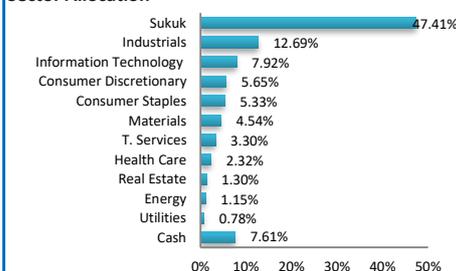
Calendar Year Performance (%)*

	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

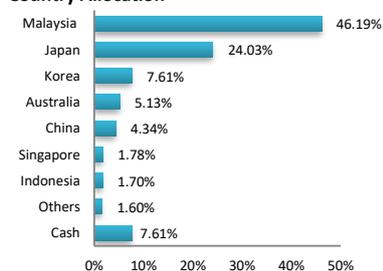
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

MUAMALAT IMTN**	5.50% (25/11/2021)	4.69
AFFIN ISLAMIC PERPETUAL AT1 SUKUK WAKALAH (T1)		4.25
SAMSUNG ELECTRONICS		3.73
WCT IMTN**	6.00% (27/09/2119)	3.24
YTL POWER IMTN**	5.05% (03/05/2027)	3.22

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

FUND STATISTICS

Historical NAV (USD)

	1 Month	12 Months	Since Launch
High	0.9121	1.0421	1.1106
Low	0.8511	0.7754	0.7754

Source: Lipper IM

FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd.
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	USD 0.9121
Fund Size (million)	USD 0.54
Units In Circulation (million)	0.59
Financial Year End	30 April
MER (as at 30 Apr 2019)	2.01%
Min. Initial Investment	USD 1,000.00
Min. Additional Investment	USD 100.00
Benchmark	50% RAM QuantShop GII (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 RM18,000p.a.*
Switching Fee	USD 10.00 per switch*
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.

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MANAGER’S COMMENTS

MARKET OUTLOOK AND STRATEGY

Equity

Wall Street correlated world stock markets remain remarkably well bid given the appalling macroeconomic data being announced. Apart from the over-the-top Federal Reserve policy response, the spread of the virus has not been as bad as feared in the middle of March 2020. Secondly, there remains growing focus on re-opening the economy, most particularly in America and in other countries where the curve has flattened.

The trade deal between United States (US) and China resurface again recently. Tensions have re-ignited as the former seeks to make the Coronavirus disease 2019 (COVID-19) blame game a key focus for the elections as growth and low unemployment have imploded. The press highlighted dramatic steps the US can take versus China including heightened tariffs, multi-country isolation, further sanctions and restrictions (ala Huawei), restricting US purchasing of Chinese assets, and limiting access to US Dollar.

In terms of strategy, with the COVID-19 pandemic under control, we are overweight in South Korea and China while maintaining a neutral allocation in Japan. We keep our overweight exposure in pharmaceuticals and technology sectors and we stay invested in consumer names with strong balance sheet and strong brand name.

Sukuk

2020 would be defined as the year of a new global pandemic, the highly infectious COVID-19 with over 3.2 million cases globally as at 30 April 2020 and still accelerating, with confirmed cases outside of China now constituting 97% of global confirmed cases. The pandemic has increased the likelihood of a global recession, leading investors to rush to safe haven assets and cash and causing asset prices everywhere to fall significantly.

Bank Negara Malaysia (BNM) on 5th of May 2020, has cut its Overnight Policy Rate (OPR) by another 50 basis points (bps) to 2%, a level last seen during the 2008-2009 global financial crisis. The central bank has noted that with this latest cut, the OPR has been reduced by a total of 100 bps since the start of the year, complementing the other monetary and financial measures it has made as well as fiscal measures announced by the government this year. Recent indicators shown that the global economy is already contracted with global growth projected to be negative this year. With widespread containment measures implemented globally coupled with international border closures and following weak external demand, Malaysia’s domestic economic activity is expected to be impacted. While it is necessary for the movement control order (MCO) to contain the spread of the virus, it has also constrained production capacity and domestic spending. On top of that, both labour and economic conditions are expected to be challenging while fiscal stimulus with monetary and financial measures to offer some support to the economy. In term of inflation trajectory, BNM forecasted it to be muted this year with average headline inflation to be negative on account of substantially lower global oil prices. BNM has guided that inflation to be around -1.5% to +0.5% in 2020.

We expect the local government space to stay supported on widening yield differential versus the United States Treasury (UST); whereby it does increase the attractiveness of our local government bond/sukuk and being renowned for its resilience towards any selloff due to deep onshore support and in-built back stop measures. We will continue to monitor the situation of markets and remain constructive on the local bond/sukuk market as the current macro backdrop continues to provide positive vibes for fixed income investments.

DISCLAIMER:

Based on the fund’s portfolio returns as at 10 April 2020, the Volatility Factor (VF) for this fund is 9.9 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. This update does not amount to indicate that the SC has recommended or endorsed the Fund. 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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