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

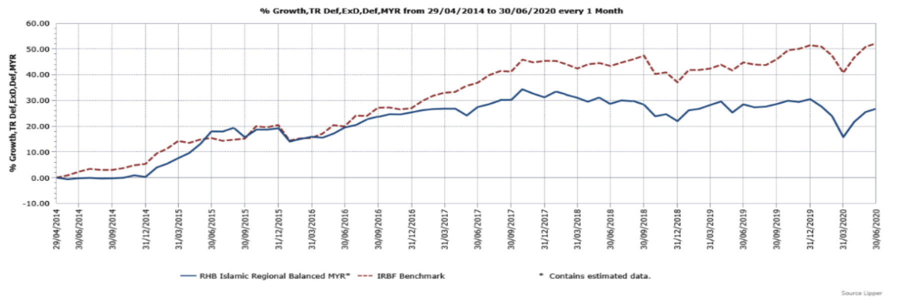
This Fund is suitable for investors who:
- want to have a balanced portfolio that provides both income and capital growth, and at the same time complies with the principles of Shariah; and
- are willing to accept moderate risk in their investments.

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 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	**1.06**	**9.54**	**-2.83**	**-2.83**
Benchmark	0.98	8.17	0.55	0.55

	1 Year	3 Years	5 Years	Since Launch
Fund	**-1.30**	**-0.57**	**7.53**	**26.77**
Benchmark	5.16	11.21	31.95	52.23

Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	**6.99**	**-7.11**	**4.61**	**5.27**	**18.90**
Benchmark	10.47	-5.70	14.50	5.41	14.33

Source: Lipper IM

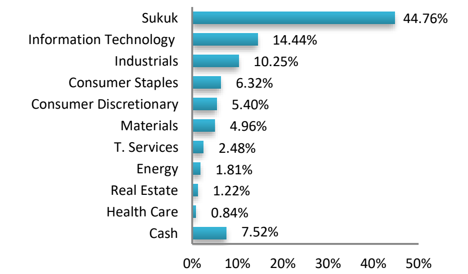
FUND DETAILS

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	RM1.2681
Fund Size (million)	RM189.14
Units In Circulation (million)	149.15
Financial Year End	30 April
MER (as at 30 Apr 2020)	2.00%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
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	RM25.00 per switch*
Distribution Policy	Annually, if any

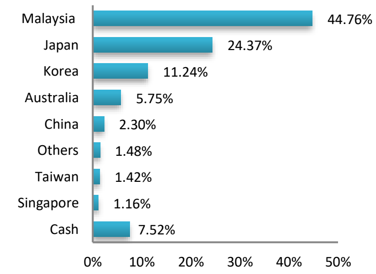
**All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.*
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

SAMSUNG ELECTRONICS	5.03
MUAMALAT IMTN** 5.50% (25/11/2021)	4.54
AFFIN ISLAMIC PERPETUAL AT1 SUKUK WAKALAH (T1)	4.00
WCT IMTN** 6.00% (27/09/2119)	3.16
YTL POWER IMTN** 5.05% (03/05/2027)	3.12

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

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.2839	1.3146	1.3616
Low	1.2447	1.0692	0.9739

Source: Lipper IM

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MANAGER'S COMMENTS

MARKET OUTLOOK AND STRATEGY

Equity

In the absence of positive news, the equity market is likely to be volatile in the short term and will be driven by macro-economic data and geopolitical tensions. Rising United States (US)-China trade friction, the increase in the coronavirus cases in US and European Union will be the focus in charting the direction of the equity performance besides the news of the vaccines. Nonetheless, the equity market is expected to be in favour due to the expectations of prolong low inflation and low interest rate environment. The gradual recovery in the economy will also support the equity market going forward as investors are pricing in lower risks. Hence, we are of the opinion that the worst of the economy and equity market are behind us already. In terms of strategy, we are now overweight in South Korea and Singapore and keeping our underweight exposure in Hong Kong. In terms of sectors, we are buying into more cyclical sectors like technology and commodities that is oil and gas and petrochemicals.

Sukuk

International Monetary Fund (IMF) projected an even deeper contraction in global growth for 2020. It however expects economic growth to recover to 5.4% moving into 2021, down from previous estimate of 5.8%.

In view of concerted monetary easing approach adopted by global central banks as an effort to support growth recovery, we expect global bond yields to stay low. The US Federal Reserve has since ruled out the prospect of negative interest rate but discussion on yield curve control remains open at upcoming Federal Open Market Committee (FOMC) meetings.

Bank Negara Malaysia (BNM) cut its Overnight Policy Rate (OPR) by 25 basis points (bps) to 1.75% at its 6 to 7 July 2020 Monetary Policy Committee (MPC). This is the fourth consecutive cuts in OPR this year and the lowest ever recorded since the last global financial crisis back in 2008 to 2009. We view the latest cut as a pre-emptive measure ahead of the 2Q 2020 Gross Domestic Product (GDP) data which potentially be in contractionary mode due to disruption in economic activities during the pandemic outbreak. In the statement, BNM highlighted that with gradual and progressive reopening of the economy since early May, economic activities in the country have begun to recover. It said it will continue to monitor economic conditions and will use its policy 'levers' appropriately to aid a sustainable economic recovery. The latest reduction provides additional policy stimulus to accelerate the pace of economic recovery.

At this juncture, we do not discount for further monetary easing by BNM which will remain data dependent. Hence, we opine local bond yield is expected to remain supported given the depth and liquidity of the domestic bond/sukuk market as well as better yield spreads relative to developed market bond yields which should enticed foreign investors. Total foreign ownership of Malaysian Ringgit government bonds/sukuk had increased to 22.2% in June. The current loose monetary policy landscape and subdued inflation outlook remains supportive for fixed income investments from a real yield perspective.

RHB Asset Management Sdn Bhd (174588-x) **Head Office: Level 8, Tower 2 & 3, RHB Centre, 50400 Kuala Lumpur** **General Line: 603-9205 8000**