

RHB SMART BALANCED FUND

This Fund aims to maximize total returns through a combination of long term growth of capital and current income consistent with the preservation of capital through a combination of investments in companies with market capitalization of not more than RM1 billion and investments in fixed income securities.

INVESTOR PROFILE

This Fund is suitable for Investors who:

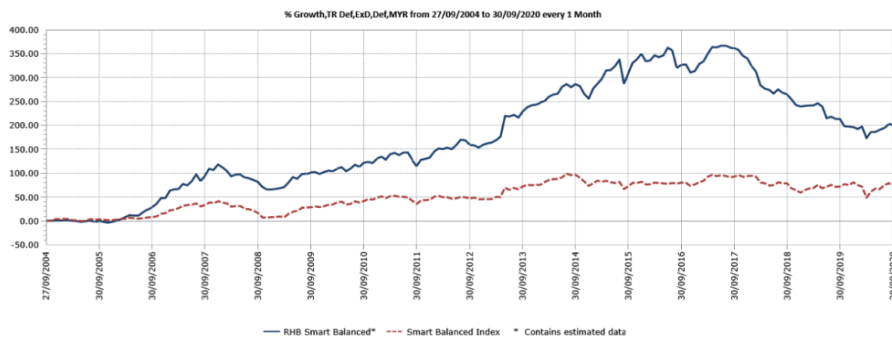
- willing to accept moderate risk in their investments in order to achieve long term capital growth and income.

INVESTMENT STRATEGY

- 40% - 60% of NAV: Investments in securities of companies with market capitalization of not more than RM1 billion.
- 40% - 60% of NAV: Investments in fixed income securities, money market instruments, cash and deposits with financial institutions.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	-1.10	3.12	9.57	1.10
Benchmark	-3.08	4.08	16.55	-3.97

	1 Year	3 Years	5 Years	Since Launch
Fund	-4.29	-35.12	-26.50	199.51
Benchmark	0.74	-10.00	0.33	73.52

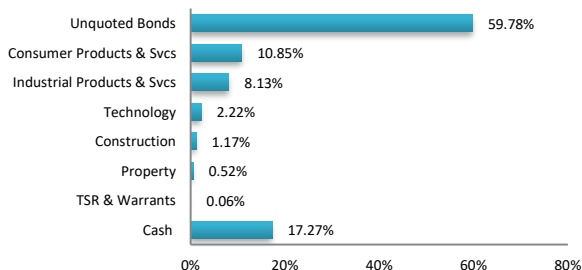
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	-12.66	-22.83	6.13	-7.85	26.34
Benchmark	13.48	-17.95	10.08	-3.04	4.86

Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Top Holdings (%)*

MEX II SDN BHD 6.2% (29/04/2032)	19.27
MEX I CAPITAL BHD 2.5% (22/01/2031)	14.73
MEX II SDN BHD 6.0% (29/04/2030)	13.25
MEX I CAPITAL BHD 2.5% (24/01/2030)	12.54
AJINOMOTO MALAYSIA BHD	4.83

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.7968	0.8240	1.3669
Low	0.7776	0.6743	0.4557

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
Mar 2020	-	-
Mar 2019	-	-
22 Mar 2018	5.5000	4.43
22 Mar 2017	3.3500	2.71
28 Mar 2016	9.0200	6.96

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

EQUITY MARKET REVIEW

The FBM KLCI fell for the second consecutive month by 1.3% m.o.m in September 2020 due to concerns over political uncertainty, the end of the loan moratorium on 30 September 2020 and rising new COVID-19 cases post-Sabah election. Retail participation share of trades fell m.o.m for the first time since March 2020. Foreign selling pressure continued in September 2020, with a net outflow of RM2.0bn, bringing YTD net foreign selling to a record RM21.9 bn. Market activity pulled back in Sep-2020 as market Average Daily Volume (ADV) traded were down 30% m.o.m to RM4.7bn. Retail ADV also retreated by 42.3% m.o.m to RM1.8 bn. Retail participation fell to 38% in September 2020 from 47% in August 2020.

Malaysia has seen a spike in the number of daily confirmed COVID-19 cases recently, with the seven day average tally reaching 209 as of 4 October 2020 higher than the previous peak of 173 in early April 2020.

EQUITY MARKET OUTLOOK AND STRATEGY

We expect market to be range-bound as spike up again on COVID-19 cases in Malaysia while US election is coming affecting the sentiment of the market. We remain positive on healthcare, technology and companies which will be benefiting from factory relocation as a result of US-China trade tension.

FIXED INCOME MARKET REVIEW

Malaysian Ringgit Sovereign Bond

On the local rates, both Malaysia's sovereign papers ie; Malaysia Government Securities (MGS) and Government Investment Issues (GII) cruised the month with nervous moment as yields seen higher with three of the auctions held during the month ended-up with weak bid-to-cover (BTC) ratio of circa 1.5 times and lower. Bond market sentiment has been weak since the no Overnight Policy Rate (OPR) cut decision by Bank Negara Malaysia (BNM) on 10 September 2020.

Malaysian Ringgit Corporate Bond

In the Malaysian Ringgit corporate bond/sukuk space, overall monthly trading volumes in secondary market space was lower on the back of pent-up demand to raise funds in primary issuances as lower cost of funding after consecutive OPR cut attracts corporates to tap in the market. Investors remained side-lined in the secondary market space to participate for noticeable upcoming primary issuances for better yield enhancement amidst at low interest rate environment.

FIXED INCOME MARKET OUTLOOK AND STRATEGY

High fixed income exposure, only trade if there is better pipelines offering to enhance yield.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 September 2020, the Volatility Factor (VF) for this fund is 9.4 and is classified as "Low". (source: Lipper) "Low" includes funds with VF that are above 3.3 but not more than 9.6 (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 30 June 2020 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 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 contents of the PHS and Master Prospectus dated 15 June 2017 and its supplementary(ies) (if any) ("collectively known as the Master Prospectus") before investing. The Master Prospectus has been registered with the Securities Commission Malaysia ("SC") who takes no responsibility for its contents. The SC's approval or authorization, or the registration of the Master Prospectus should not be taken to indicate that the SC has recommended 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 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. If in any doubt, consult your banker, lawyer, stockbroker or an independent financial adviser.

The Manager wishes to highlight the specific risks of the Fund are liquidity risk of underlying investments, credit risk and inflation/purchasing power risk. These risks and other general risks are elaborated in the Master Prospectus.

This Fund 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.

This Fund Factsheet has not been reviewed by the SC.

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