

RHB DANA HAZEEM

The Fund aims to maximise total returns through a combination of long-term growth of capital and current income consistent with the preservation of capital.

INVESTOR PROFILE

This Fund is suitable for Investors who:

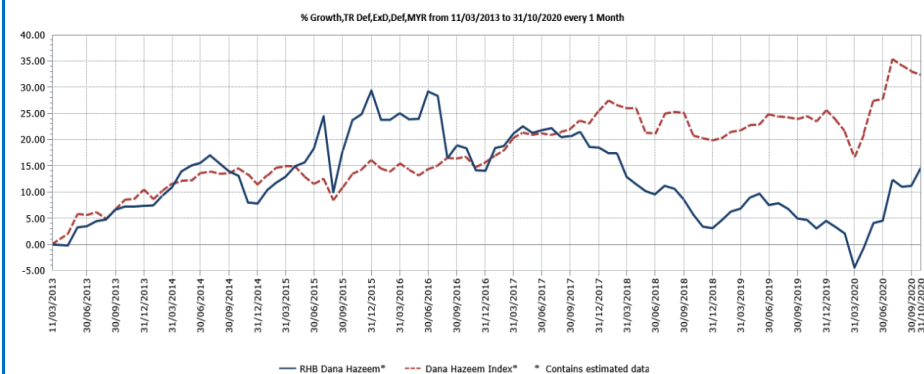
- require investments that comply with Shariah requirements; and
- are willing to accept moderate risk in their investments in order to achieve long-term growth and income.

INVESTMENT STRATEGY

- 40% - 60% of NAV: Investments in Shariah-compliant equity and equity related securities of companies that have dividend and/or growth potential.
- 40% - 60% of NAV: Investments in non-equity Shariah-compliant investments.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	3.12	1.99	15.27	9.64
Benchmark	-0.48	-2.20	9.32	5.38

	1 Year	3 Years	5 Years	Since Launch
Fund	9.46	-5.72	-7.34	14.57
Benchmark	6.34	7.14	16.64	32.37

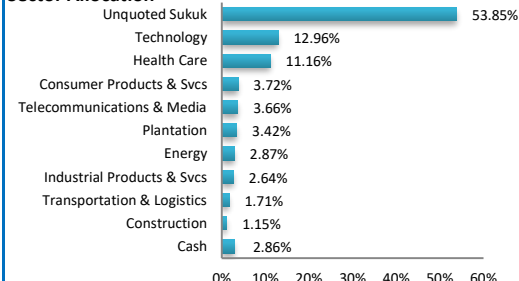
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	1.36	-12.98	3.94	-11.88	20.04
Benchmark	4.81	-4.47	8.56	-0.40	4.29

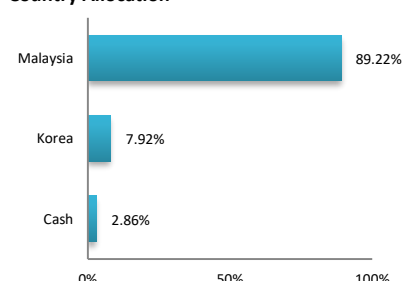
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

MEX I CAPITAL BHD 5.0% (20/01/2023)	18.23
MEX I CAPITAL BHD 2.5% (24/01/2030)	14.44
TANJUNG BIN ENERGY 6.2% (16/03/2032)	7.93
BANK MUAMALAT (M) BHD 5.8% (15/06/2026)	6.43
SPG IMTN 5.45% (31/10/2033)	5.29

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

FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Balanced Fund (Shariah-compliant)
Fund Type	Income and Growth Fund
Launch Date	18 February 2013
Unit NAV	RM0.4664
Fund Size (million)	RM15.73
Units In Circulation (million)	33.73
Financial Year End	28 / 29 February
MER (as at 28 Feb 2020)	1.63%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	50% FBM Emas Shariah Index + 50% Maybank Islamic Bank Berhad 12-month Islamic FD
Sales Charge	Up to 6.38% of investment amount*
Redemption Charge	None
Annual Management Fee	1.50% p.a. of NAV*
Annual Trustee Fee	Up to 0.08% p.a. of NAV*
Switching Fee	RM25.00 per switch*
Redemption Period	Within 10 days after receipt the request to repurchase
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 STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.4714	0.4714	0.5826
Low	0.4523	0.3749	0.3749

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
Feb 2020	-	-
Feb 2019	-	-
Feb 2018	-	-
20 Feb 2017	1.1000	2.18
25 Feb 2016	4.2500	7.90

Source: RHB Asset Management Sdn. Bhd.

RHB DANA HAZEEM

The Fund aims to maximise total returns through a combination of long-term growth of capital and current income consistent with the preservation of capital.

MANAGER'S COMMENTS
EQUITY MARKET REVIEW

World equity markets started off strongly in the month of October 2020 on the back of continued improvement in economic data. However, the resurgence of new Coronavirus Disease 2019 (COVID-19) cases particularly in United States (US) and Europe resulted most equity markets ended the month on the red. For the month, US declined 2.7%, Europe 5.7%, Japan 1.6%. Asia ex-Japan (+2.8% in October 2020, year-to-date: 6.4%) was the stand-out performer in October 2020 as it was the only region in the world to register an advance. China (5.3%) rode on rising investor optimism, as it unveiled the 14th Five Year Plan to set out on becoming an advanced socialist country with leading global influence by 2049. ASEAN advanced 0.4% after two consecutive down months, driven by Indonesia (8.6%) and the Philippines (7.9%), while political uncertainties weighed on Thailand stocks (-2.3%).

October 2020 was a less favorable month for Malaysia. FBM KLCI retraced -2.52% month-on-month (MoM) to 1,467 points, while the FBM Emas Shariah Index also declined -1.23% to 12,741 points. Top gainers were Hartalega (+11.26%), Press Metal (+6.81%), Petronas Chemicals (+4.8%) and Top Glove (+4.20%), while laggards were Petronas Dagangan (-12.66%), MISC (-12.13%), Tenaga (-9.14%) and RHB Bank (-7.44%). Foreigners net sold RM669 million worth of equities last month bringing year-to-date net outflow to RM22.97 billion. Retailers were again the biggest net buyers in October 2020 but at a slower pace (RM456 million versus September 2020: RM1.44 billion), while remaining as active participants of the market, accounting for 39.9% of trades (September: 38.2%), suggesting the impact of loan moratorium ending is not as bad as initially feared. Moving on to sector performance, despite a late sell-down on the final trading week, the technology and healthcare sectors remain the top performers.

While it was not the weakest monthly performance this year (March: -8.9% month-on-month), it was certainly the worst month for COVID-19 infections with a total of 19,629 new cases reported in the month alone. The number of cases reported in October was also significantly higher than the total numbers reported between January to September at 11,919 cases. Hence it was no surprise that Kuala Lumpur, Putrajaya, Selangor and Sabah went back into Conditional Movement Control Order (CMCO). Politics also took the limelight in October 2020 when there was news that Prime Minister Muhyiddin Yassin had proposed to the King (Yang di-Pertuan Agong) to call for a state of emergency for the country which was later declined by the King. There was also Anwar Ibrahim who claimed that he has majority of support of Member Parliaments to form the government. Meanwhile, Brent crude oil declined -8.5% in October 2020 due to continued demand concerns while Crude Palm Oil (CPO) futures traded higher to RM3,252, +14.5% month-on-month on the back of potential decline in production due to shortage of workers in the sector.

EQUITY MARKET OUTLOOK AND STRATEGY

The resurgence of COVID-19 infections has resulted in lockdown measures of varying degrees being imposed which has raised concerns of a slower-than-expected global economic recovery. This implies that the prevailing coordinated efforts by governments to stimulate economies via both fiscal and monetary policies will stay for a prolonged period. Therefore, the flush of liquidity will continue to be positive for the equity market, while economic recovery slowly makes its way back to normalcy. With the volatility risk in both our domestic market as well as regional markets, we continue to favour exporters namely in gloves and technology. Normalisation post a vaccine discovery would likely further support Gross Domestic Product (GDP) and top-line recovery in the coming quarters. Key events to watch out for would be the US elections, as well as the announcement of Budget 2021, which we expect would continue to be people-friendly, supportive and provides relief to the key industries impacted by the virus.

FIXED INCOME MARKET REVIEW

Despite of the rapid rising COVID-19 cases in US and dwindling hopes for fiscal stimulus package, the country recorded a record jump in 3Q GDP at annualized 33.1% quarter-on-quarter, beating consensus expectation of a 31% surge. It is the largest expansion ever following a record 31.4% plunge in 2Q as government injected more than USD3 trillion worth of pandemic relief to fuel consumer spending. However, the GDP is still 3.5% below its level at the end of 2019 and the outlook for 4Q remain uncertain in view of the second wave of coronavirus pandemic. US Treasuries (UST) yield traded largely higher in the month of October 2020 as political uncertainties loomed in the wake of the US presidential election in early November 2020. Longer dated US treasury curve rose faster than the shorter end portion hence causing further steepening of the UST curve, with the 10-year/2-year and 30-year/2-year spread hovering around 69 basis points (bps) and 146bps respectively. At the month end of October 2020, the benchmark 2-, 5-, 10- and 30-year UST were last traded at 0.15% (September 2020: 0.13% +2bps), 0.36% (0.28%; +8bps), 0.82% (0.68%; +14bps) and 1.60% (1.46%; +14bps) respectively.

On the local front, demand for govies remained supported as investors stay defensive amid concern over downside risk to growth following the resurgence of COVID-19 cases and prospect of further monetary easing by Bank Negara Malaysia (BNM) in the upcoming Monetary Policy Committee (MPC) meeting scheduled on 3rd November. Yields of the Malaysian government securities (MGS) and Government Investment Issue (GI) ended tightened across the curve following positive vibes emerging from the well-supported 5-year GI 3/26 reopening tender. Despite slew of issuances in govies bond supply in October, they were well received by market players. Auctions featuring MYR4.5 billion 3-year GI, MYR5.0 billion new 10-year MGS and MYR5.0 billion 5-year GI printed solid bid to cover ratios at 3.093x, 1.994x and 1.996x respectively. Yield of the MGS and GI tightened lower across the curve led by the shorter end portion, the 3-year and 5-year MGS benchmark yield eases more than 20 basis points lower month-on-month to settle around unprecedented low level of 1.75% and 2.01% on 30th October 2020.

Month-on-month, yield curve generally flattened as MGS yields were pushed lower on the shorter end up till 5 years 8 to 20bps while the long end of the curve shifted higher by range of 3-12bps. At the close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS closed the month at 1.75% (September-2020: 1.99%), 2.00% (2.25%), 2.34% (2.43%), 2.62% (2.67%), 3.10% (3.02%), 3.45% (3.33%) and 3.85% (3.81%) respectively. Similarly, shorter tenure 3-year GI yield moved lower by 20bps while the longer tenure inched higher by an average of 5-6bps. At month end, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year GI were reported at 1.79% (September 2020: 2.04%), 2.17% (2.21%), 2.37% (2.35%), 2.59% (2.63%), 3.21% (3.15%), 3.53% (3.56%) and 4.10% (4.05%) respectively.

FIXED INCOME MARKET OUTLOOK AND STRATEGY

Gradual re-opening of economy globally and concerted monetary easing by major global central Banks should spur recovery prospects in the coming quarters after improvements shown in 3Q prints. However, there are lingering concern for a resurgence of new COVID-19 waves in the northern hemisphere as these countries entering into winter season. At the time of writing, Europe and the United Kingdom have reported increasing number of new COVID-19 cases which appears to be derailing growth prospects as Governments called for another lockdown or partial lockdown. Notwithstanding the above, the US recorded a hefty jump in its 3Q GDP despite of the rapid rising COVID-19 new cases. It is among the earliest countries with second wave of infections following the reopening of economic activities. Amid the concern over downside risk to growth, the US Federal Reserve (Fed) continues to pledge its ultra-low monetary policy path, likely to keep the benchmark interest/profit rate at near zero level until the earliest 2023. Nonetheless, market is deeply concern on supply pressure to the bond market from fiscal stimulus as well as prospect of greater fiscal spending with Joe Biden's leading the polls in the US Presidential election.

With prospects of allowing inflation rate to rise and also increase in government debt issuance to finance enlarged stimulus packages, we opine that yield may rise gradually premised on better economic numbers as US economy reopens. Nevertheless, yields are not expected to rise at levels prior to the pandemic on views that there will not be hasty decisions to raise rates before 2023.

As for Malaysia, despite it recorded a soft 2Q2020 GDP print at -17.1% year-on-year, the data showed that domestic growth has rebounded since April, implying that domestic growth may have bottomed in 2Q and is poised to recover in 2H2020 with the gradual reopening of economies. Growth in the 3Q is likely to print a lesser contraction (scheduled for release on 13th November 2020) following relaxation of movement controls and reopening of economic activities since May/June periods. However recent resurgence of COVID-19 cases on the domestic and global front could pave the way for further monetary policy and fiscal responses to ensure recovery traction will not be derailed significantly. Recent movement control orders are likely to mirror further downside risks to 4Q growth expectations.

Nevertheless, BNM has decided to maintain the Overnight Policy Rate (OPR) at 1.75% at the final MPC for this year held on 3 November 2020, citing projected further improvement on the country's economic activity and inflation to remain subdued as the world economy contends with the resurgence in COVID-19 cases. In a statement post MPC, BNM was confident on the continued recovery in the global economy, led by improvements in manufacturing and export activity although the resurgence in COVID-19 cases suggests that the global economic recovery will likely remain uneven in the near term. As for Malaysia, the latest indicators point towards significant improvement in economic activity in the third quarter. BNM acknowledged, the introduction of targeted measures to contain COVID-19 in several states could affect the momentum of the recovery in the fourth quarter. Nonetheless, growth for the year 2020 is expected to be within the earlier forecasted range. On Malaysia's inflation, BNM said that in line with earlier assessments, headline inflation is likely to average negative this year given the substantially lower global crude oil prices. For 2021, headline inflation is projected to average higher. The country's inflation outlook will continue to be significantly affected by global oil and commodity prices. Focus will also be on the tabling of Budget 2021 on Friday, 6 November 2020, which is expected to provide sufficient support to keep the economy afloat until a more definite medical solution for the pandemic is found.

We view that the central bank still has room for further policy easing in 2021 if needed, with prospects of further easing remain data dependent.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 October 2020, the Volatility Factor (VF) for this fund is 8.3 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 3 August 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 for the Fund are market risk, particular security risk, reclassification of Shariah status risk, interest rate risk, credit/default 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.

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