

RHB ASIAN REAL ESTATE FUND

This Fund aims to achieve a long term capital appreciation through investments in the real estate market.

INVESTOR PROFILE

This Fund is suitable for investors who:

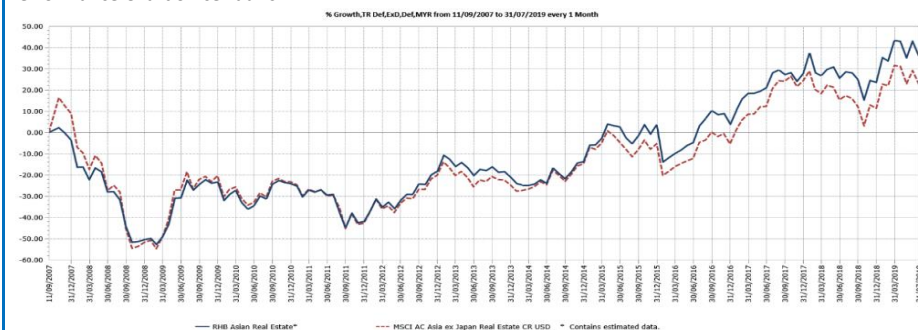
- wish to participate in the opportunities offered by the Asian real estate markets;
- are willing to accept moderate to high risk in their investments; and
- prefer capital growth rather than income over a long term period.

INVESTMENT STRATEGY

- Up to 98% of NAV (with at least 70% of NAV in equity): Investments in primarily Asian real estate securities and listed Real Estate Investment Trusts (REITs).
- 2% - 5% of NAV: Investments in liquid assets including money market instruments and deposits with financial institutions.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	-4.83	-4.79	0.61	10.12
Benchmark	-4.91	-6.33	0.05	10.22

	1 Year	3 Years	5 Years	Since Launch
Fund	5.79	31.85	62.94	36.02
Benchmark	4.68	28.85	49.52	22.78

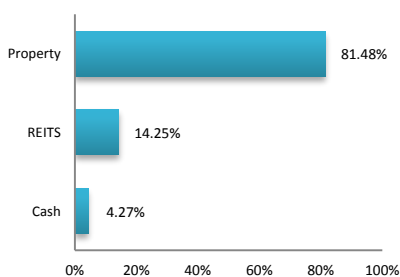
Calendar Year Performance (%)*

	2018	2017	2016	2015	2014
Fund	-3.23	22.97	0.04	20.18	9.37
Benchmark	-10.39	31.42	-0.05	11.03	13.08

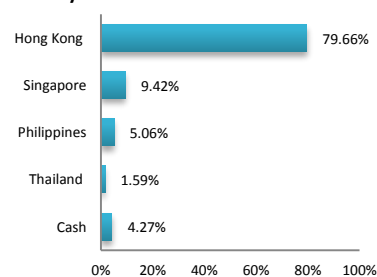
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

LINK REIT	9.25
SUN HUNG KAI PROPERTIES LTD	9.12
HENDERSON LAND DEVELOPMENT CO	6.63
NEW WORLD DEVELOPMENT CO LTD	6.15
CHINA OVERSEAS LAND & INVESTMENT	5.44

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.7304	0.7377	0.7377
Low	0.6801	0.5713	0.2187

Source: Lipper IM

FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	Maybank Trustees Bhd
Fund Category	Equity Fund
Fund Type	Growth Fund
Launch Date	22 August 2007
Unit NAV	RM0.6801
Fund Size (million)	RM9.90
Units In Circulation (million)	14.56
Financial Year End	31 March
MER (as at 31 Mar 2019)	2.85%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	MSCI AC Asia-ex-Japan Real Estate Index (RM)
Sales Charge	Up to 5.00% of investment amount*
Redemption Charge	None
Annual Management Fee	1.80% p.a. of NAV*
Annual Trustee Fee	0.08% p.a. of NAV, subject to a min. of RM18,000 p.a.*
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.

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MANAGER'S COMMENTS

MARKET REVIEW

In July, China property shares underperformed against the broader market. This was mainly due to a tightening political stance from the central government in attempt to stabilize rising land and housing prices. As a result, numerous small-sized enterprises announced bankruptcy as various financing channels, such as trust financing, tightened. The Chinese government also prohibited banks to alter personal mortgage rates. On the macro-side, nationwide residential property sales volume and sales value recorded growth of -1.0% and 8.4% year-on-year respectively during the first six months of 2019.

Hong Kong property shares generally underperformed against its Chinese peers and the broader market in July. Within sectors, Hong Kong developers outperformed landlords and REITs. Political turmoil, led by ongoing street protests, resulted in poor retail sales in metropolitan areas such as Causeway Bay, CBD and the New Territories. Property developers also showed reluctance in new land investments, evident by weak tender prices and a low number of bids. On the positive side, micro-units were still well received with strong market demand. Macro-front, overall residential home prices measured by the Centa-City Leading Index decreased by 0.55% month-on-month for July.

MARKET OUTLOOK AND STRATEGY

We are turning neutral on Chinese property in the near term, although we remain constructive in the longer horizon. While we are seeing a stable trend in both transaction volume and price over recent months, the central government seems to remain slightly hawkish in order to curb the property market under current economic headwinds. On a company level, while most developers are on track – or even ahead – of the targeted contracted sales, the funding environment is marginally tighter. We still like mid-to-big developers because of their ample funding resources, strong balance sheet and balanced regional coverage. They are also able to gain more shares during market consolidation. We will selectively accumulate quality names into our portfolio, especially leaders in high tier cities with a strong urbanization story.

In Hong Kong, the property market remains at a high level, as most of the underlying drivers have not really changed. First, mortgage rate remains at a low level, given a US rate cut roadmap. Second, supply outlook continues to be tight, given a limited new land supply and local political environment. Third, sell through rates were high in recent primary launches. Finally, more companies are willing to share profits with shareholders by increasing dividends. We like developers and landlords with a good project pipeline, strong balance sheet and stable growing income from investment property. Recent correction due to political protests creates a good chance to selectively accumulate quality names.

We remain selective in ASEAN property stocks. The Philippines is one of our preferred markets as demand for residential units remains strong. We also like certain names in Singapore for attractive valuations.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 July 2019, the Volatility Factor (VF) for this fund is 15.0 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are more than 11.2 (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 2019 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 2019.

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 Master Prospectus dated 3 September 2017 and its supplementary(ies) (if any) ("the Master Prospectus") before investing. The Master 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 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.

The Manager wishes to highlight the specific risks of the Fund are real estate risk, foreign investment risks such as country risk and currency risk and equities investment risks such as market risk and particular security risk. These risks and other general risks are elaborated in the Master 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.