RHB Asset Management

FUND FACTSHEET – JANUARY 2020

All data expressed as at 31 December 2019 unless otherwise stated

3-year Fund Volatility 9.8 high Lipper Analytics 10 DEC 2019

RHB ASIAN GROWTH OPPORTUNITIES FUND

This Fund aims to achieve long term capital growth by investing primarily in small capitalisation stocks and stock-related securities issued by corporations in the Asia Pacific region (excluding Japan).

INVESTOR PROFILE

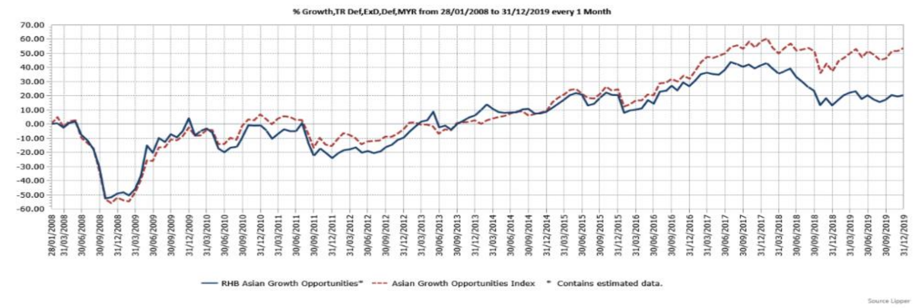
This Fund is suitable for investors who:
- seek investment opportunities in the small cap securities in the Asian (excluding Japan) region;
- wish to invest in an established foreign fund managed by a renowned fund manager; and
- are willing to accept a higher risk in their investments to obtain potentially higher returns in the long term.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the units of United Asian Growth Opportunities Fund.
- 2% - 5% of NAV: Investments in liquid assets including money market instruments and deposits with financial institutions.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



With effect from 31 August 2018, the Fund's performance benchmark was changed to 70% MSCI AC Asia Pacific ex Japan Small Cap Index and 30% MSCI AC Asia Pacific ex Japan Mid Cap Index. The benchmark chosen for the Fund is to better reflect the investment strategy and focus of the Fund which is to invest primarily in small capitalisation stocks with the remaining of its assets to invest in mid capitalisation stock. Note: Prior to 31 August 2018, the Fund's performance benchmark was MSCI AC Asia Pacific ex Japan Mid Cap Index (RM).

Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	**0.75**	**2.74**	**0.02**	**6.36**
Benchmark	1.51	5.15	1.54	12.07

	1 Year	3 Years	5 Years	Since Launch
Fund	**6.36**	**-5.04**	**10.58**	**20.16**
Benchmark	12.07	16.57	40.83	53.77

Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	**6.36**	**-20.05**	**11.68**	**5.33**	**10.57**
Benchmark	12.07	-13.33	20.42	5.71	7.79

Source: Lipper IM

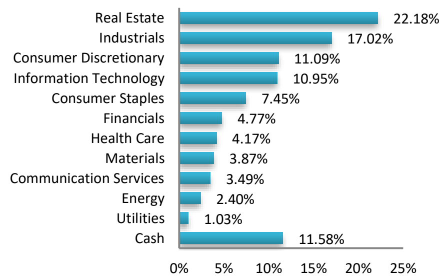
FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Feeder Fund
Fund Type	Growth Fund
Launch Date	08 January 2008
Unit NAV	RM0.6008
Fund Size (million)	RM6.61
Units In Circulation (million)	11.01
Financial Year End	31 December
MER (as at 31 Dec 2018)	0.85%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	70% MSCI AC Asia Pacific ex Japan Small Cap Index + 30% MSCI AC Asia Pacific ex Japan Mid Cap 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 0.08% p.a. of NAV*
Switching Fee	RM25.00 per switch*
Redemption Period	Within 10 days after receipt the request to repurchase
Distribution Policy	Incidental

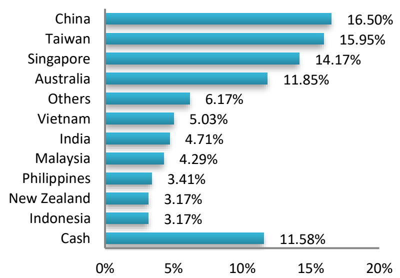
**All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.*
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management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

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

UNITED SGD MONEY MARKET FUND	5.12
COUNTRY GARDEN SERVICES HOLDING	3.66
NETLINK NBN TRUST	3.49
ROBINSONS LAND CORP	3.41
PENTAMASTER CORP BHD	3.25

**As percentage of NAV*

**Source: UOBAM, 31 December 2019. Exposure in United Asian Growth Opportunities Fund - 97.92%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6042	0.6289	0.7254
Low	0.5920	0.5591	0.2213

Source: Lipper IM

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

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RHB Group @RHBGroup RHB Group RHBGroup

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RHB ASIAN GROWTH OPPORTUNITIES FUND

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MANAGER'S COMMENTS

MARKET REVIEW

Asia Pacific (ex Japan) ended the year strongly in December, chalking gains of +3.6%. Markets were lifted by the improvements on the trade fronts, decisive outcome in UK elections and finalization of the USMCA. Sectors and markets that significantly outperformed in the past month include China Real Estate, Korea Information Technology and HK Consumer Discretionary.

The Target Fund Manager saw EPS revisions in the region. Notably, Indonesia saw positive earnings revisions of ~3.3%. Taiwan's positive revisions were fueled by rising 5G unit expectations and incrementally positive outlook of major Tech names in 5G applications. Australia, Malaysia, Thailand, South Korea and Singapore all experienced positive revisions above 1.5%.

Energy saw an upbeat month with Brent and WTI crude up by 10.7% and 8.3% respectively, as OPEC+ agreed on output cuts to help prop up prices amid fears of an economic slowdown and Trump signed off on a partial trade deal with China, giving a boost to the fragile outlook for global oil demand. Gold prices rose by 3.6% to $1,517/oz making 2019 the best year since 2010, having gained 18% driven by the trade war.

MSCI Australia underperformed, with a relatively flattish performance in the month. It started the month soft as markets were disappointed with RBA leaving cash rates on hold. But as the Target Fund Manager headed towards the 2nd half, Australian equities pared losses on the back of positive global developments.

MSCI China outperformed, posting strong gains in December. The key driver for the strong performance was the mitigation of geopolitical risk, as the US and China announced on Dec 13 that an agreement on Phase One trade negotiation had been reached. The US announced that they will delay indefinitely the new tariffs that were set to take effect on Dec 15 on ~$160bn of Chinese imports (List 4B). In addition, the tariff on $120bn of Chinese imports (List 4A) will be reduced to 7.5% from 15%, which represents the first tariff rollback since the inception of the trade war in July 2018. Meantime, the long-awaited revision of Securities Law was approved.

MSCI Taiwan saw strong gains in the month. The Tech sector recorded spectacular gains led by large cap blue-chip Tech names. Rising 5G unit expectations and the increasingly positive outlook of major Tech names in 5G applications was a key driver. Laggard commodity Tech sectors such as panels, DRAM, wafers, and passive component makers also recorded a notable rally.

The KOSPI also rebounded strongly to end the year on a high note, driven by the easing of the US-China trade war, better domestic macro signals such as recovery of custom exports, rising consumer inflation; and improved memory sentiment amid early pull-in restocking demand from customers, helping the rally in Korea's Technology sector.

MSCI India was relatively flattish in December and notably underperformed the region. Indian equities had a volatile month declining in the first half as the RBI surprised negatively by keeping policy rates on hold on 5 December (vs. consensus expectations of 25bp cut) and sharply reducing FY20 GDP forecast by 110bps to 5%. Moreover, OPEC+ announced oil production cuts leading to a sharp surge in crude prices. Indian equities pared losses in the second half on the back of positive global developments.

ASEAN markets generally underperformed North Asia markets with the exception of Indonesia. After 5 months of outflows, the JCI saw net inflows of $571mn in Dec. Energy and Financials outperformed in December, while Staples and Materials lagged. MSCI Singapore and MSCI Malaysia both saw positive gains but still underperformed the region, even as sentiment turned positive to progress on US-China trade talks outlining a first phase of a trade deal and a suspension of a scheduled tariff hike. Thailand was the worst performer as MSCI Thailand was only up slightly, where outperforming sectors such as Electronics, Chemicals and Healthcare were dragged down by Hotels, Commerce and Construction.

MARKET OUTLOOK

Global growth notably Asia has been sluggish amidst trade tensions in 2019. The US/China tariffs have had a major impact on industrial production and business investments. However, the Target Fund Manager heads into 2020 with a US-China phase 1 trade deal at hand and stable leading indicators pointing to a bottoming in industrial production and acceleration restocking demand. The policy environment is still fairly benign with China cutting RRR rates and easing fiscal policy, India continues to cut rates and US Fed rates on hold as the global economy is still reeling from the industrial slowdown. Hence, the Target Fund Manager is more optimistic on Asia's 2020 prospects.

Regional equity market valuations remain fair, trading above its 18-year historical mean on-price-to-earnings basis and near mean on a price-to-book basis. Nonetheless, a Phase 1 US/China trade deal should lower risk premiums and improve corporates' earnings outlook, driving Asian equity markets higher. Moreover, regional markets are still trading at a significant discount to US markets and with more room for earnings upgrades as the industrial cycle turns for the better.

The Target Fund Manager notes that risks still linger despite the current buoyant market sentiment. Geopolitical tensions in the Middle East spiked after the US assassinated a top Iranian General. The path towards a phase 2 and beyond of a US-China trade deal is still marred with uncertainty, and in the long term is still likely to hit some obstacles. Closer to home, the social unrest and chaos in Hong Kong still lingers, dragging HK's economy into recession.

On balance, the Target Fund Manager still see reason to be more optimistic on Asian markets' prospects in the coming quarter. Key risks to the Target Fund Manager's more positive view now include a full blown Middle East war and another U-turn in the progress of US-China trade negotiations, which has happened multiple times in the past one and a half years.