RHB Asset Management

FUND FACTSHEET – JANUARY 2020

All data expressed as at 31 December 2019 unless otherwise stated

3-year Fund Volatility 10.5 high Lipper Analytics 10 DEC 2019

RHB ASIA PACIFIC FUND

This Fund aims to achieve long term capital appreciation through investments in securities of companies listed or traded in emerging and developed markets.

INVESTOR PROFILE

This Fund is suitable for investors who:

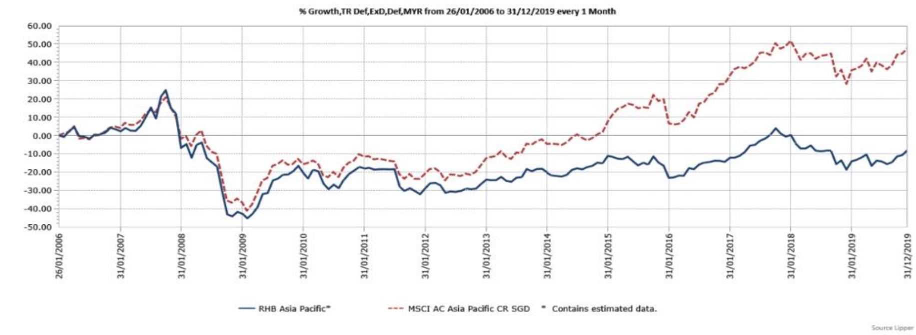
- wish to participate in the upside of the Asia Pacific markets;
- are willing to accept moderate to high risk in their investments;
- prefer capital growth rather than income over a long term period.

INVESTMENT STRATEGY

- Up to 98% of NAV: Investments in securities of and securities relating to companies that have high growth potential.
- 2% - 10% of NAV: Investments in liquid assets including bonds, 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	**2.99**	**7.64**	**6.53**	**12.94**
Benchmark	2.07	6.61	5.55	15.15

	1 Year	3 Years	5 Years	Since Launch
Fund	**12.94**	**7.67**	**8.54**	**-7.84**
Benchmark	15.15	15.24	44.82	47.69

Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	**12.94**	**-17.85**	**16.05**	**2.61**	**-1.76**
Benchmark	15.15	-13.81	16.11	6.92	17.54

Source: Lipper IM

FUND DETAILS

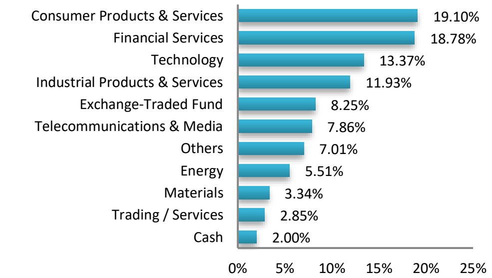
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Equity Fund
Fund Type	Growth Fund
Launch Date	06 January 2006
Unit NAV	RM0.3509
Fund Size (million)	RM4.37
Units In Circulation (million)	12.46
Financial Year End	31 December
MER (as at 31 Dec 2018)	3.32%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	MSCI AC Asia Pacific Index (RM)
Sales Charge	Up to 5.26% of investment amount*
Redemption Charge	None
Annual Management Fee	1.50% p.a. of NAV*
Annual Trustee Fee	Up to 0.07% 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 and will be reinvested

**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.*

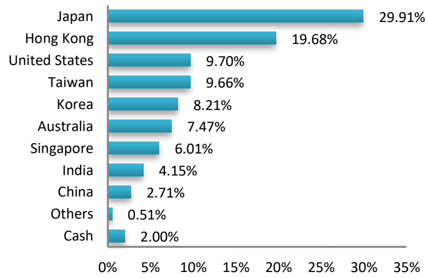
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

ALIBABA GROUP HOLDING LTD	4.17
ISHARES MSCI INDIA INDEX ETF	4.15
TAIWAN SEMICONDUCTOR MANUFACTURING	4.13
TOPIX EXCHANGE TRADED FUND	4.10
TENCENT HOLDINGS LTD	4.06

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.3548	0.3548	0.5975
Low	0.3392	0.3073	0.1994

Source: Lipper IM

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MANAGER'S COMMENTS

MARKET REVIEW

Asian equities, measured by MSCI Asia Pacific ex Japan Index, continued its strong performance into October by +0.3% on easier financial conditions as well as an end to the trade escalation. Country-wise, China (+1.8%) and Taiwan (+1.5%) were the best performing countries while Philippines (-3.4%), Indonesia (-2.8%) and Malaysia (-2.2%) lagged its peers. Sector-wise, consumer discretionary (+4.0%) and communication services (+1.9%) were the key outperformers while Utilities (-3.4%), Healthcare (-3.0%), and Consumer Staples (-2.2%) underperformed.

Post the Fed's decision to further cut interest rate by 25bps to a 1.50% - 1.75% range back in October, the market is currently pricing in a zero percent probability of a further rate cut in the December FOMC meeting. The recent "better than consensus" data release also supported it. US Q3 GDP was revised up to 2.1%, above market consensus of 1.9%, and new orders for durable goods rose by 0.6% in October against expectations for a decline. The discussion of inflation was generally dovish, and the staff continued to project core PCE inflation below 2 percent through 2022.

The "Phase 1" agreement has been stalled after President Trump said he has no deadline for trade deal with China. In view of the bill that was passed by President Donald Trump that supports Hong Kong's protesters, China has avoided retaliation efforts that could directly impact the trade war, but instead has vowed to sanction some of the rights organizations and halt US warships visits to Hong Kong. The market is paying close attention to the looming 15th December deadline where the next round of US tariffs on China will be implemented, especially after the US surprised the market with new tariffs imposed on French goods, as well as Brazilian and Argentinian steel products.

In Australia, the equity market continued its recovery during the month. The positive move was a reflection of RBA's decision to left cash rates unchanged at 0.75% in the November's meeting and the governor's description of the economy having reached a "gentle turning point". The governor also made it clear that he still views a QE program is rather unlikely and is not the RBA's baseline. Nonetheless, macro data continues to show weakness particularly from wage growth disappointment and the soft labour market data. In South Korea, the market was relatively soft on profit-taking on the information technology sector. Bank of Korea kept its 7-day repo rate at 1.25% but has lowered its 2020 GDP forecast by 0.2% to 2.3% and its CPI forecast by 0.3% to 1.0%.

Singapore equity market declined with the rest of its ASEAN peers. MAS sees 2019 core inflation as the lower end of the 1-2% forecast and 2020 core inflation at 0.5-1.5%, labour market seems to be softening slightly. Singapore earnings season was broadly in line with consumer staples beating expectations and industrials coming behind. Generally, EPS growth expected to be around 5.2% y/y growth in 2020.

Philippines central bank decided to keep policy rates steady at 4.00%. Philippines CPI and GDP numbers beat expectations as Inflation fell to 0.8% YoY in October vs consensus 0.9%, way down from the 6.7% peak in September 2018. Core inflation continued to fall, to 2.6% Y/Y. The IT and Business Process Association of the Philippines (IBPAP) President Rey Untal stated that the BPO revenues are expected to grow 3.5-7.5% annually from 2020 to 2022.

Indonesia 3Q GDP growth came in at 5.02% y/y. Consumption and government spending slowed during this period. Construction of the major public sector projects should slow down as most of them are completed. Credit growth has been slow 8.6% in August and 7.9% in September. Bank Indonesia left the rates unchanged at 5% after cutting 100bps from July to October. There will also be a 50bps RRR cut to be implemented in Jan 2020 which will help with the bank's liquidity. Going into 2020, there seems to be an emphasis on education, human capital and possibly tourism on policies.

Thailand economy has been struggling with weak exports. 3Q GDP missed target with the official 2019 forecast cut to 2.6%. Private consumption remains weak with weakening labour market and consumer confidence. The stimulus package which was submitted to the Cabinet was small at THB50 billion. The intention is to help the villages and also used as subsidy on the cost of the rice harvest.

MARKET OUTLOOK AND STRATEGY

The portfolio turned more positive during the month adding position into some cyclical sectors. The portfolio will and have opportunistically added to stocks with attractive valuations and have visible positive structural trends. We prefer to be invested in areas of opportunities, especially in countries with accommodative policies to help support their own economies and mitigate the negativities arising from the trade war and weak economic activities. We continue to adopt a dynamic allocation strategy and rigorous stock selection process to stay invested in names that we believed are backed by strong fundamental, including strong balance sheets and high levels of free cash flow with the ability to support share buybacks. We are also have a preference for Asia relative to developed markets amid valuation.