

RHB ASIAN INCOME FUND

The Fund aims to provide income and capital growth over the medium to long term by investing in one target fund, i.e. the Schroder Asian Income.

INVESTOR PROFILE

This Fund is suitable for Investors who:

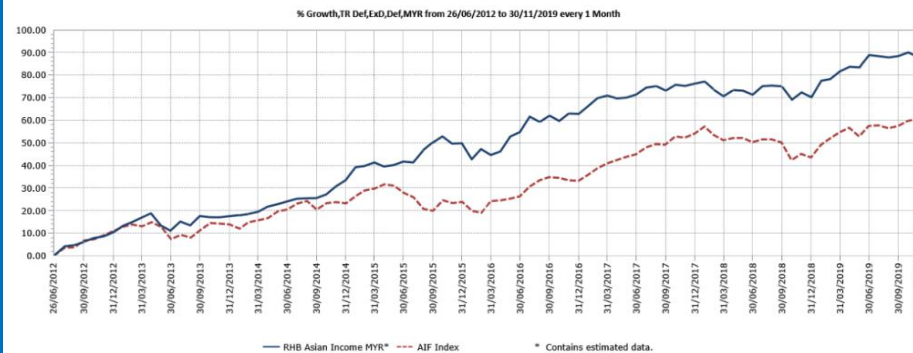
- seek income and capital growth over the medium to long term;
- have moderate risk appetite; and
- seek investment opportunities in the Asian region.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the units of Schroder AI.
- 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	-1.06	0.12	2.44	10.39
Benchmark	0.58	2.67	5.11	11.85

	1 Year	3 Years	5 Years	Since Launch
Fund	9.01	15.41	43.93	88.01
Benchmark	10.64	20.27	29.69	60.63

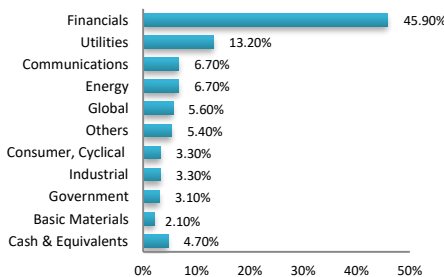
Calendar Year Performance (%)*

	2018	2017	2016	2015	2014
Fund	-3.30	8.25	8.62	14.56	13.63
Benchmark	-6.81	15.65	7.53	16.21	10.07

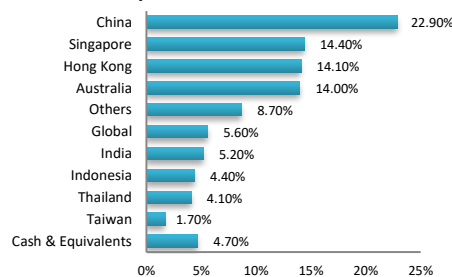
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

MAPLE TREE COMMERCIAL TRUST REIT	2.10
HK ELECTRIC INVESTMENTS	2.00
POWER ASSETS HOLDINGS LIMITED	1.90
ASCENDAS REAL ESTATE INVESTMENT TRUST	1.80
NATIONAL AUSTRALIA BANK LIMITED	1.80

*As percentage of NAV

*Source: Schroder, 30 November 2019. Exposure in Schroder Asian Income - 96.99%

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6511	0.6706	0.6836
Low	0.6411	0.6133	0.5000

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
29 Oct 2019	1.0000	1.53
25 Jul 2019	0.8000	1.22
25 Apr 2019	0.8000	1.25
29 Jan 2019	1.0000	1.61

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

MARKET OVERVIEW

Asian equities posted a small gain in November. Within the region, China recorded a positive return, as the authorities provided modest stimulus in response to ongoing soft economic data. Taiwanese equities moved higher as overall earnings were revised upwards. On the other hand, the Philippines and Indonesia finished in negative territory. South Korea also lagged behind, largely due to currency weakness while ongoing protests continued to weigh on Hong Kong equities. In fixed income, government bond yields rose overall, reflecting the improved mood in markets. The US 10-year Treasury yield was 9bps higher.

MARKET STRATEGY AND OUTLOOK

Equity

Over the month, the Target Fund Manager initiated a position in Singapore telecom name which boasts an attractive dividend payout. The company has announced plans to bid for one of the two nationwide 5G licences, and is expected to maintain its position as a market leader given the limited competition. The Target Fund Manager also added a new position in a Chinese energy name. The company will likely continue to increase its production while overseas projects and acquisitions may also drive growth. Elsewhere, the Target Fund Manager increased their holdings in an India energy generator, given its strong pipeline with several newly awarded projects recently. On the other hand, the Target Fund Manager trimmed their Thai utility provider following muted earnings and disappointing growth. The stock has performed well YTD and the Target Fund Manager believes its share price is already fully valued. The Target Fund Manager also reduced their Macau gaming name. The Target Fund Manager remains cautious due to declining revenues fuelled by headwinds, including a weaker Yuan and a slowing Chinese economy.

With ongoing uncertainties from trade tensions, weakening global demand, and downswing in the global tech cycle, the Target Fund Manager does not expect the export picture in Asia to brighten anytime soon. However, the Target Fund Manager believes the structural growth story for many Asian economies to remain intact, especially as the drivers of economic growth and corporate earnings have gradually moved away from exports towards domestic consumption. The Target Fund Manager believes their underlying portfolio is well-positioned to withstand the current challenges, as the Target Fund Manager remains focused on selective areas of longer-term secular growth that offer attractive valuation opportunities and less exposed to export risk. In fact, the vast majority of their exposure is to domestic businesses while their allocation to REITs and defensive sectors continue to offer some stability amid the heightened volatility. In terms of valuation, Asian equities are not cheap on a historical basis and have climbed to a new two-year high in November; however, they remain attractive relative to their global peers. In particular, China, Hong Kong and South Korea are among the cheapest in the region, and could benefit from any further positive developments in trade talks which could prompt a rebound in these markets.

Fixed Income

The Target Fund Manager continued to take profit on positions where valuations have tightened considerably and reduced risks in certain areas, such as Sri Lanka government bonds given the recent clustering of risk in frontier countries and selective HY exposures with weaker financials as the Target Fund Manager remains concerned about the highly leveraged companies in the region. The Target Fund Manager then allocated to new issues with attractive premium, including a Hong Kong electronics hardware name. The overall underlying portfolio duration is at 1.6 years.

Although duration's valuation has weakened from a valuation perspective, the Target Fund Manager believes it continues to offer diversification benefits against market volatility. With economic growth moderating, most Asian central banks have eased more than expected, creating a lower rate environment that is generally supportive for Asian credit. Demand for investment grade credits continue to remain intact, and is especially strong for high yield credits with strong fundamentals. The Target Fund Manager is moving closer to a seasonally low liquidity period and thus the Target Fund Manager expects to see lower trading volumes. Investors appear to have capacity to add risk but may wait until after the low liquidity period. All in all, the Target Fund Manager continues to stress the importance of selectivity while maintaining their preference towards name with high quality and better value.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 November 2019, the Volatility Factor (VF) for this fund is 5.2 and is classified as "Low". (source: Lipper) "Low" includes funds with VF that are above 1.9 but not more than 6.5 (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 Prospectus dated 6 October 2017 and its supplementary(ies) (if any) ("the Prospectus") before investing. The 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 Prospectus relates will only be made on receipt of a form of application referred to in the Prospectus. For more details, please call 1-800-88-3175 for a copy of the PHS and the Prospectus or collect one from any of our branches or authorised distributors.

The Manager wishes to highlight the specific risks of the Fund are market risk in asia, credit risk, investment grade, below investment grade and unrated debt securities risk, risks relating to distributions, emerging markets and frontier risk and derivatives risk. These risks and other general risks are elaborated in the 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.