RHB Asset Management

FUND FACTSHEET – DECEMBER 2019

All data expressed as at 30 November 2019
unless otherwise stated

RHB ASIAN INCOME FUND MULTI CURRENCIES - USD HEDGED CLASS

The Fund aims to provide income and capital growth over the medium to long-term^ by investing in one (1) target fund, i.e. the Schroder Asian Income.

*Note: *"medium to long term" in this context refers to a period of between 3 – 10 years.*

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the class X units of the Target Fund.
- 2% - 5% of NAV: Investments in liquid assets including money market instruments and Placements of Cash.

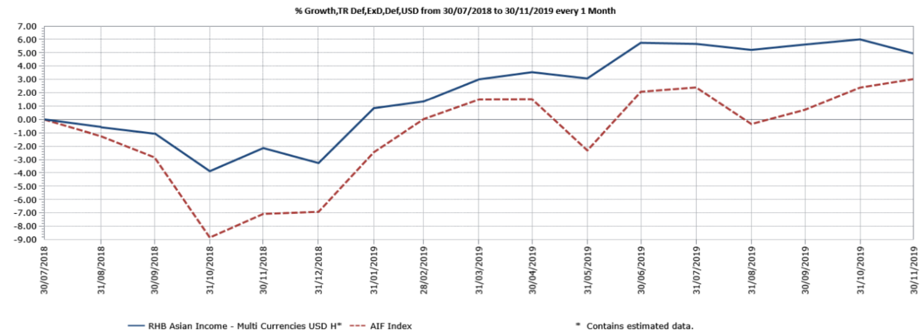
INVESTOR PROFILE

This Fund is suitable for:

- 'Sophisticated Investor(s)' as defined in the Information Memorandum.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	**-1.00**	**-0.26**	**1.81**	**8.50**
Benchmark	0.62	3.38	5.46	10.67

	1 Year	Since Launch
Fund	**7.26**	**4.94**
Benchmark	10.85	3.02

Source: Lipper IM

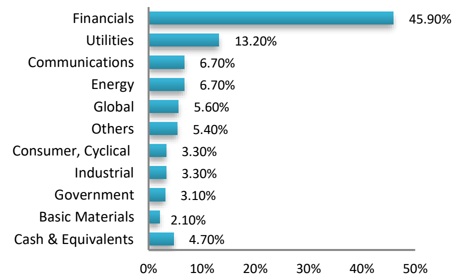
FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Feeder Fund
Fund Type	Income Fund
Launch Date	10 July 2018
Base Currency	SGD
Unit NAV	USD 1.0385
Fund Size (million)	USD 18.67
Units In Circulation (million)	17.98
Financial Year End	30 April
MER (as at 30 April 2019)	0.61%
Min. Initial Investment	USD 1,000.00
Min. Additional Investment	USD 500.00
Benchmark	50% MSCI AC Asia Pacific ex Japan Net (RM) + 50% JP Morgan Asia Credit Index (SGD Hedged)
Sales Charge	Up to 5.50% 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	USD 10.00 per switch*
Distribution Policy	Quarterly, if any

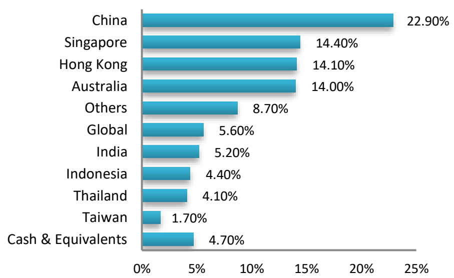
**All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.*
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management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

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

MAPLETREE 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 - 95.43%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.0523	1.0704	1.0704
Low	1.0352	0.9646	0.9578

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
29 Oct 2019	1.1000	1.05

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.

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