

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	-8.29	-3.52	-4.03	-8.29
Benchmark	-9.32	-5.49	-7.89	-9.32

	1 Year	3 Years	5 Years	Since Launch
Fund	-3.45	18.22	38.67	30.54
Benchmark	-7.84	11.81	21.52	13.09

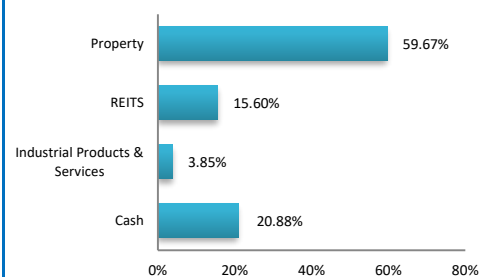
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	15.24	-3.23	22.97	0.04	20.18
Benchmark	11.96	-10.39	31.42	-0.05	11.03

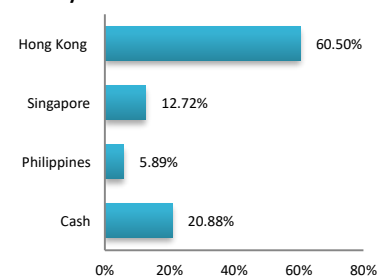
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

SUN HUNG KAI PROPERTIES LTD	9.47
LINK REIT	8.37
HENDERSON LAND DEVELOPMENT CO	6.91
NEW WORLD DEVELOPMENT CO LTD	6.61
CK ASSET HOLDINGS LTD	3.87

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.7212	0.7377	0.7377
Low	0.6527	0.6210	0.2187

Source: Lipper IM

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MANAGER'S COMMENTS

MARKET REVIEW

In January, the China property sector saw the largest sold off across all sectors, underperforming the broader market as sentiment declined amid the Coronavirus outbreak. January 2020's presales declined 57% MoM and 16% YoY on average across the top-100 developers' aggregate attributable presales. Part of the weakness could be attributable to a weaker seasonal factor where property sales during the Chinese New Year festival are typically poor during this period. With over 60 provinces/cities requiring closure of sales office due to the outbreak, developers continue to drag on this front. Further, the Renminbi's depreciation also posed dragged share prices. However, many real estate companies have taken proactive initiatives such as increasing online advertising/promotions, and short-term rental subsidies. Thus far, about 1,000 shopping malls have announced different levels of rental subsidy for tenants. We continue to see supportive measures by the government to help mitigate the downside risks. The PBOC have announced to encourage for extension of grace-period for mortgages/loans with repayment difficulties. Additionally, in the earlier part of the month, the market continue to see loosening measures by several cities including Guangzhou and Suzhou, where the former city announced to allow personnel with undergraduate degrees and above to purchase joint-ownership housing without restrictions on household registration or age.

In Hong Kong, the property market declined during the month with concerns over slower residential property sales. The outbreak of coronavirus continue to cast dark shadows on the economic outlook of Hong Kong despite the social unrest cooling down slightly after November. While the Hong Kong government has taken tough measures to fight the epidemic, uncertainties on the outbreak remain high and may cause dramatic disruptions to both production and consumption.

MARKET OUTLOOK AND STRATEGY

In view of the current uncertainties surrounding the Coronavirus, the portfolio has adopted a defensive stance with increased cash level. We have sold off Chinese developers with developments in the lower-tiered cities and maintain our positions in the quality names and management companies. We have also added to selected Reits with attractive valuations and as a defensive play. Going forward, the Chinese Central government could potentially launch more credit and monetary easing to support the economy in the near term, and the policy tone on the property market should be rather muted until the outbreak is over. Developers' sales are likely to be weak over the next few months but the street believes that the pent-up demand could be released towards the second half of 2020. On the other hand, property management companies continue to see their medium-term growth outlook remains intact and immediate impact on earnings to be minimal given their recurring revenue nature. The portfolio has been positioned to try to mitigate against further downside risks from the pneumonia outbreak. On the longer term, we continue to prefer developers with ample funding resources, strong balance sheet and balanced regional coverage. We will selectively accumulate quality names into our portfolio as we try to take advantage of specific stocks that could be oversold during this period should the situation possibly worsens over the course of the next few weeks.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 January 2020, the Volatility Factor (VF) for this fund is 15.5 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are more than 11.1 (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 31 December 2019 which is calculated once every six months and is valid until its next calculation date, i.e. 30 June 2020.

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.