

RHB EMERGING INCOME FUND - USD CLASS

The Fund aims to provide income[^] and capital growth by investing in one (1) target fund i.e. Schroder International Selection Fund Emerging Multi-Asset Income.

Note: [^]The income is in the form of units of the Fund.

INVESTOR PROFILE

This Fund is suitable for:

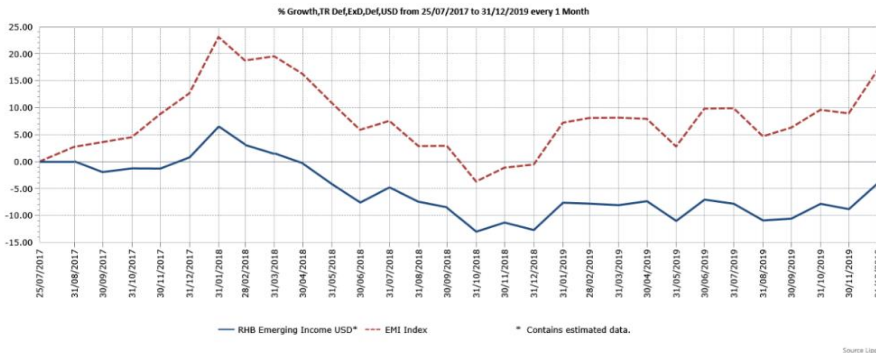
- ‘Sophisticated Investor(s)’ as defined in the Information Memorandum.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the USD AX distribution share class of the Target Fund;
- 2% - 5% of NAV: Investments in liquid assets including money market instruments and placements of cash.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	5.31	7.39	3.32	9.98
Benchmark	7.48	10.16	6.62	17.74

	1 Year	Since Launch
Fund	9.98	-3.96
Benchmark	17.74	17.10

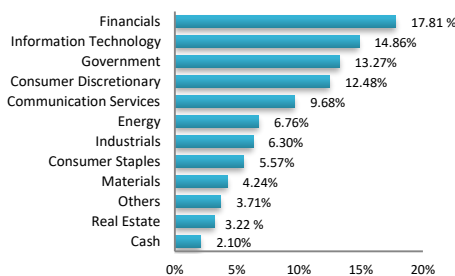
Calendar Year Performance (%)*

	2019	2018
Fund	9.98	-13.31
Benchmark	17.74	-11.72

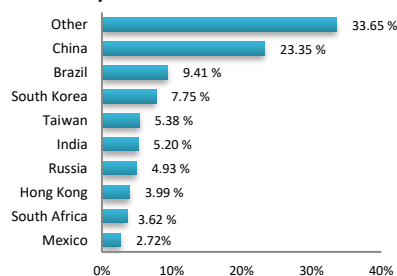
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

SAMSUNG ELECTRONICS LTD	2.27
TAIWAN SEMICONDUCTOR MANUFACTURING	2.16
ALIBABA GROUP HOLDING LTD	1.72
TENCENT HOLDINGS LTD	1.62
RONSHINE CHINA HOLDINGS LTD 8.95 (22/01/2023) Reg-S (SENIOR)	1.12

*As percentage of NAV

*Source: Schroder, 31 December 2019. Exposure in Schroder International Selection Fund Emerging Multi-Asset Income - 96.98%

FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Feeder Fund
Fund Type	Income & Growth Fund
Launch Date	04 July 2017
Base Currency	USD
Unit NAV	USD 0.9360
Fund Size (million)	USD 3.91
Units In Circulation (million)	4.18
Financial Year End	31 August
MER (as at 31 August 2019)	0.66%
Min. Initial Investment	USD 1,000.00
Min. Additional Investment	USD 500.00
Benchmark	50% MSCI Emerging Markets Index (USD) + 25% EMBI Global Diversified (USD) + 25% GBI-EM Global Diversified (USD)
Sales Charge	Up to 5.50% of investment amount*
Redemption Charge	None
Annual Management Fee	1.80% p.a. of NAV*
Annual Trustee Fee	0.06% p.a. of NAV*
Switching Fee	USD 10.00 per switch*
Redemption Period	Within 10 days after receipt of the request to repurchase
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 STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.9377	0.9377	1.0762
Low	0.8852	0.8431	0.8412

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
28 Aug 2018	1.1600	1.25
24 May 2018	1.2600	1.25

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS
MARKET REVIEW

A provisional agreement between the US and China ensured emerging markets ultimately finished on a firmly positive note in 2019.

Although emerging markets were strong across the board, the Target Fund Manager witnessed a potentially significant change of leadership in December. In a reversal of the trend for the majority of 2019, emerging market equities were particularly strong, rising 7.5%, led by index heavyweight China and other major Asian exporters, Taiwan and South Korea. This brought emerging market equity returns for 2019 to 18.6 %, trailing developed markets by nearly 10%. However, with the earnings' outlook visibly improving across emerging markets, attractive valuations are now supported by strengthening fundamentals, translating into a refreshingly positive outlook for EMAI's key equity markets in 2020.

Turning to hard currency fixed income, positive returns for the month, particularly in the high yield space, brought an unusually strong year to a close. Going forward, though, the Target Fund Manager believes a healthy degree of caution is warranted. The majority of double digit returns experienced by both sovereigns and corporates in 2019 was driven by a strong rally in US interest rates that the Target Fund Manager thinks is very unlikely to be repeated in 2020.

With starting yields low, spreads tight and fundamentals weakening at the low quality end of the spectrum, the Target Fund Manager expects returns to be lower and dispersion higher. In other words, the Target Fund Manager expects more differentiation ahead, especially in the sovereign space, and favour a highly selective as opposed to purely benchmark approach.

On the local bond side, a happy combination of US dollar weakness, attractive inflation adjusted yields and confirmation of the Fed's medium term dovish stance drove returns of just over 4%, comfortably eclipsing US dollar denominated debt as investors began to reassess the prospects for what has been a relatively neglected area in 2019.

DISCLAIMER:

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 Information Memorandum dated 4 July 2017 and its supplementary(ies) (if any) ("the Information Memorandum") before investing. The Information Memorandum 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 Information Memorandum relates will only be made on receipt of a form of application referred to in the Information Memorandum. The Fund are only offered to "sophisticated investors" as defined in the Information Memorandum. For more details, please call 1-800-88-3175 for a copy of the PHS and the Information Memorandum or collect one from any of our branches or authorised distributors.

The Manager wishes to highlight the specific risks of the Fund are management risk, liquidity risk, country risk and currency risk and the specific risks of the Target Fund are capital risk due to distribution policy of Target Fund, capital risk due to negative yields, China country risk, counterparty risk for derivatives, counterparty risk for money market and deposit, credit risk, currency risk, derivatives risk, emerging markets and frontier risk, equity risk, high yield bond risk, interest rate risk, leverage risk, liquidity risk, operational risk. These risks and other general risks are elaborated in the Information Memorandum.

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.

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