

### 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:

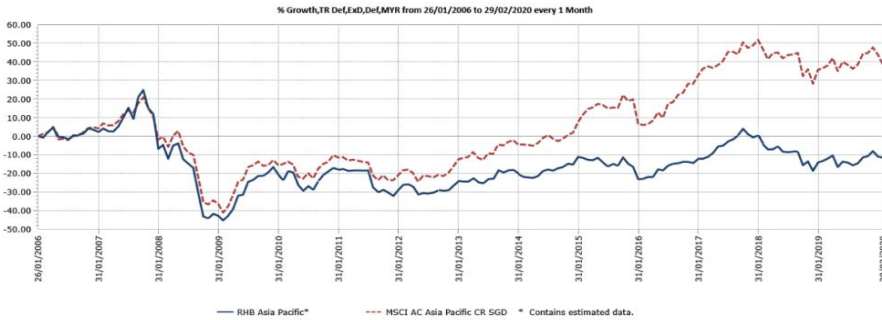
- wish to participate in the upside of the Asia Pacific markets;
- are willing to accept moderate to high risk in their investments;
- prefer capital growth rather than income over a long term period.

#### 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	-0.59	-0.88	4.84	-3.76
Benchmark	-3.46	-4.10	1.85	-6.05

	1 Year	3 Years	5 Years	Since Launch
Fund	2.12	0.93	0.24	-11.30
Benchmark	1.64	1.82	24.45	38.76

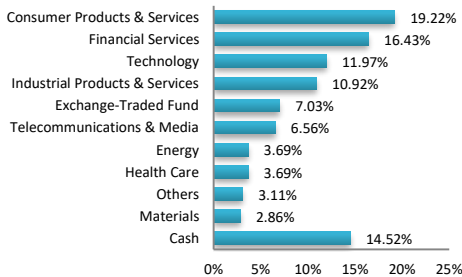
##### Calendar Year Performance (%)\*

	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

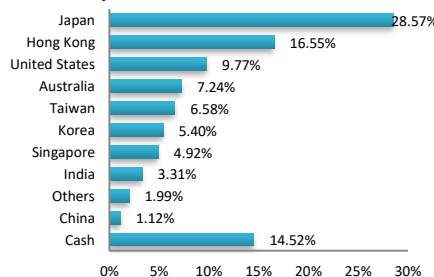
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



##### Top Holdings (%)\*

ALIBABA GROUP HOLDING LTD	4.48
TAIWAN SEMICONDUCTOR MANUFACTURING	4.28
TOPIX EXCHANGE TRADED FUND	3.98
TENCENT HOLDINGS LTD	3.56
TOYOTA MOTOR CORP	3.39

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.3567	0.3593	0.5975
Low	0.3377	0.3151	0.1994

Source: Lipper IM

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### MANAGER'S COMMENTS

#### MARKET REVIEW

Asian markets as measured by the MSCI Asia Pacific Index declined 6.1% as confirmed cases across the globe for the novel coronavirus (Covid-19) continue to surge. Energy (-9.0%) sector continued to be under pressured with WTI oil price sinking below USD 50 per barrel. OPEC have already curbing oil output under a deal that runs to the end of March and they are scheduled to meet on March 5-6 to decide further policy. Asean markets Indonesia (-12.8%), Thailand (-12.6%), Singapore (-7.1%) underperformed the region. China (+1.0%) rebounded from the Covid-19 induced sell-off in January.

China returned from the extended Lunar New Year break in January. Markets rebounded from its initial sell-off as Covid-19 appears to be contained in China and the government stepped-up policy support. The People's Bank of China (PBOC) lowered loan prime rate and medium term lending facility by 10bp, provided credit support for corporates. In addition, fiscal policies such as infrastructure investments and policy support on property sector. Healthcare (+5.6%) outperformed. Sectors that benefits from policy stimulus such as materials (+5.1%), Real Estate (+4.9%), and Information Technology (+4.3%) also outperformed. ON the other hand, Utilities (-6.3%) and Energy (-8.1%) declined on the back of lower oil prices. Hong Kong (-1.5%) followed China's performance. Macau gaming stocks corrected following a government mandated closure and a drop in gross gaming revenue. Over the month, Hong Kong's government announced a HKD 120bn counter-cyclical fiscal package consisting of cash disbursements and tax reduction.

The number of Covid-19 infection cases in Korea rose rapidly to 2300 cases as at end February, becoming the largest infected nation outside to China. The Bank of Korea contrary to market expectations maintained its hawkish stance, leading to a sell-off in the market. The sell-off was broad-based, with all sectors reporting negative returns. Taiwan (-1.9%) outperformed the region. Technology sector (-2.4%) declined on lowered smartphone shipments post the Covid-19 outbreak. However, performance of the sector was held-up by the technology roadmap for 5G as well as beneficiaries of the Covid-19 outbreak such as datacenter demand.

Japan (-9.2%) corrected on Covid-19 impact on economic growth, particularly consumption and supply chain impact. In addition, 3Q results season was weaker than expected, resulting in cyclical stocks underperforming. India (-7.4%) was one of the worst performing markets in Asia despite continued inflows from domestic and foreign investors. The Reserve Bank of India (RBI) kept policy rates on hold in line with consensus expectations, while maintaining its accommodative stance. Australia (-11.5%) corrected due to concerns of worsening global macroeconomic outlook. The reporting season ended with more misses than beats, and companies providing cautious outlook due to impact of Covid-19.

ASEAN markets continue its fall in February as the COVID-19 outbreak becomes a global problem. Thailand and Indonesia fell the most, -11.5% and -8.2% respectively, in local currencies. Philippines Singapore and Malaysia trailed behind falling 5.7%, 4.5% and 3.1% in February. ASEAN currencies depreciated against the greenback with Indonesia Rupiah depreciating the most at 4.8%.

Bank Indonesia (BI) cut its interest rate by 25bps and left the door open for further rate cuts. Floods in Jakarta and fund redemption led to the weaker sentiment and a decline in the index. The BI mentioned that they would intervene in the FX markets to prevent volatility in their currency.

Philippines is expected to cut rates going forward given the Taal volcanic eruption and downside risks from COVID-19. China government is also cracking down on POGOs with passport cancellation for crimes relating to telecommunication fraud.

Singapore COVID-19 related stocks especially in the tourism sector underperformed. Singapore activated the DORSCON Orange as new infections of COVID-19 were not traceable. The government announced the 2020 budget which surprised with a 2.2% fiscal deficit / GDP. The government is aiming to stabilise the domestic economy with a S\$4billion stabilisation and support package for the tourism sector, up to S\$1m for tourism operators. This package is 10x the size given out in SARS in 2003. GST will also remain at 7% in 2021.

Lastly, Malaysia faced a political upheaval as the Prime Minister Dr. Mahathir resigned. After a few days of uncertainty, the King has announced that Muhyiddin would be the next Prime Minister and it was believed that he has the majority to form the government. Malaysia also announced a MYR 20billion stimulus package to boost its economy. The 2020 GDP forecast was also lowered to 3.2-3.4% from 4.8%.

#### MARKET OUTLOOK AND STRATEGY

We took a defensive stance and raised cash on concerns that Covid-19 outbreak will reduce economic activity. The portfolio have already reduced travel related, cyclical sectors such as discretionary retail. We will continue to be positive on sectors including healthcare, E-commerce, domestic express delivery and online gaming sectors. In addition, the portfolio remains with preference for long-term structural themes such as 5G Technology upgrade cycle.

The virus outbreak continues to spread globally, while seemingly well controlled in China. On the other hand, governments and central banks will announce stimulus and cut interest rates, hence, supporting economic growth and risk assets. With higher cash levels, we will continue to be nimble to try to take advantage of stocks and sectors that will inevitably be over sold as the situation possibly worsens over the course of the next few weeks.

#### DISCLAIMER:

Based on the fund's portfolio returns as at 11 February 2020, the Volatility Factor (VF) for this fund is 10.7 and is classified as "High". (source: Lipper) "High" includes funds with VF that are above 8.8 but not 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 country risk and currency 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.