

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:

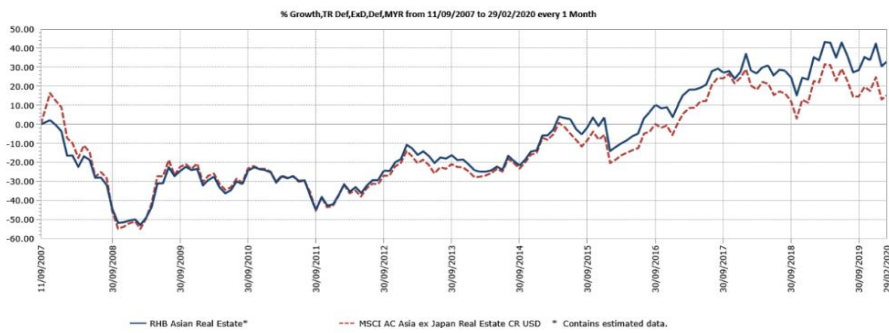
- wish to participate in the opportunities offered by the Asian real estate markets;
- are willing to accept moderate to high risk in their investments; and
- prefer capital growth rather than income over a long term period.

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	1.85	-0.55	4.43	-6.59
Benchmark	1.99	-1.92	0.74	-7.51

	1 Year	3 Years	5 Years	Since Launch
Fund	-0.49	15.00	41.06	32.96
Benchmark	-5.48	9.05	25.30	15.35

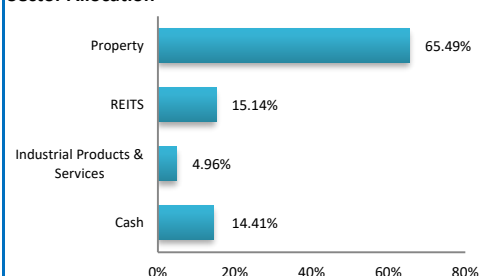
Calendar Year Performance (%)*

	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

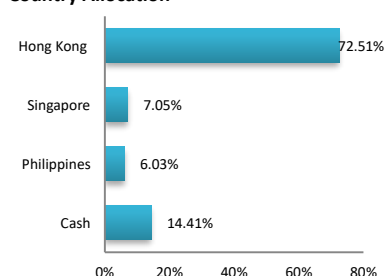
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

SUN HUNG KAI PROPERTIES LTD	10.16
LINK REIT	8.09
HENDERSON LAND DEVELOPMENT CO	7.42
NEW WORLD DEVELOPMENT CO LTD	7.14
SUNAC CHINA HOLDINGS LTD	5.19

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6957	0.7377	0.7377
Low	0.6520	0.6210	0.2187

Source: Lipper IM

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MANAGER'S COMMENTS

MARKET REVIEW

In February, the China property sector saw some recovery in February at +4.9%, outperforming the broader market. It is encouraging to see there are already signs of containment of the outbreak in China and property transactions are picking up, albeit still not back to normal levels. Nonetheless, sales in February saw overall sales delinked by around 33%, but would not be fully comparable. Based on channel checks with developers, about 60-70% of sales offices have now reopened, and about half of the construction sites have also resumed work. While they continue to face labour shortages, the market believes that this pressure would gradually alleviate as more workers return. The COVID-19 outbreak would also put some liquidity squeeze on residential property developers due to lower cash collection, but most developers should be able to weather this near-term rough patch. Separately, local governments are lending some support by delaying payments for land premiums and selected cities are relaxing home purchase restrictions. For example in Shanghai and Tianjin, payment for land acquisitions could be delayed. There is also more easing on the financing side, such as the NDRC taking a more active role in approving new quotas for both on-shore and off-shore bond issuance by developers to help lower refinancing risk.

In Hong Kong, property sector declined by 1.9%, mainly dragged by Wharf REIC (-12.7%) given the increase in share supply resulted from the group restructuring. Residential property prices were largely stable. Developers generally outperformed while landlords lagged. The Hong Kong government released the budget on 26 February and is expected to register the first budget deficit in 15 years. In the budget, the government has announced short-term, one-off relief measures amounting to almost HK\$ 120 billion, which include disburse HKD10k to permanent residents aged 18 and above, as well as salaries/profit tax reduction and extra allowances for certain groups.

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 already sold off Chinese developers with developments in the lower-tiered cities and maintain our positions in the quality names and management companies. During the month, we sold off Singapore developers on the back of negative impact on residential sales and hospitality segment. Meanwhile, we gradually increased our existing position in quality top-tier Chinese developers. The outlook on real estate remains uncertain given the risk-off appetite and fundamentals likely to be overhang for a period of time. 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 11 February 2020, the Volatility Factor (VF) for this fund is 16.0 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.