

**RHB CHINA BOND FUND - RMB CLASS**

The Fund aims to maximise total return by investing in one (1) target fund.

**INVESTMENT STRATEGY**

- At least 95% of NAV: Investments in the RMB denominated class I6 units of the Target Fund.
- The balance of the NAV: Investments in liquid assets including money market instruments, Deposits and collective investment schemes investing in money market instruments and Deposits.

**INVESTOR PROFILE**

 This Fund is suitable for:  
 • ‘Sophisticated Investor(s)’ as defined in the Information Memorandum.

**FUND PERFORMANCE ANALYSIS**

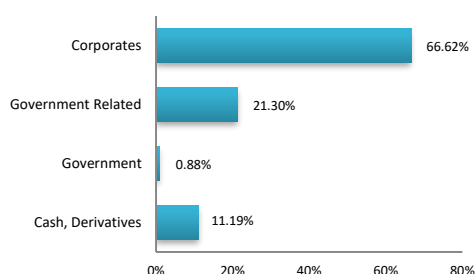
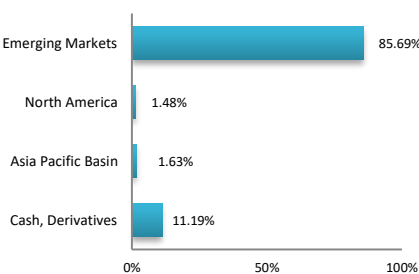
There is no performance record as the Fund launched less than 1 year.

**FUND DETAILS**

<b>Manager</b>	RHB Asset Management Sdn. Bhd.
<b>Trustee</b>	CIMB Commerce Trustee Bhd
<b>Fund Category</b>	Wholesale Feeder
<b>Fund Type</b>	Growth Fund
<b>Launch Date</b>	15 May 2019
<b>Base Currency</b>	RMB
<b>Unit NAV</b>	RM1.0408
<b>Fund Size (million)</b>	RM42.44
<b>Units In Circulation (million)</b>	40.77
<b>Financial Year End</b>	31 August
<b>MER</b>	Not available
<b>Min. Initial Investment</b>	RMB1,000.00
<b>Min. Additional Investment</b>	RMB500.00
<b>Benchmark</b>	1-year China Household Savings Deposits Rate Index
<b>Sales Charge</b>	Up to 3.00% of investment amount*
<b>Redemption Charge</b>	None
<b>Annual Management Fee</b>	Up to 1.20% p.a. of NAV*
<b>Annual Trustee Fee</b>	Up to 0.04% p.a. of NAV*
<b>Switching Fee</b>	RMB 50.00 per switch*
<b>Distribution Policy</b>	Incidental

\*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\***

**Region Allocation\***

**Top Holdings (%)\***

COASTAL EMERALD LTD RegS 4.3 (31/12/2049)	1.30
KUNMING TRAFFIC INVESTMENT CO LTD MTN RegS 6.2 (27/06/2022)	1.12
CHENGDU XINGCHENG INVESTMENT GROUP RegS 2.5 (20/03/2021)	1.12
CITY DEVELOPMENT COMPANY OF LAN ZH RegS 4.15 (15/11/2022)	1.09
CHENGDU COMMUNICATIONS INVESTMENT RegS 4.75 (13/12/2027)	1.08

\*As percentage of NAV

\*Source: Black Rock, 31 January 2020. Exposure in BlackRock Global Funds - China Bond Fund - 92.91%

**FUND STATISTICS**
**Historical NAV (USD)**

	1 Month	12 Months	Since Launch
High	1.0408	N/A	1.0408
Low	1.0288	N/A	1.0000

Source: Lipper IM

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**MANAGER'S COMMENTS****TARGET FUND'S PORTFOLIO ACTIVITY**

The Target Fund Manager has increased their allocation to USD credit in January, with 64% of the underlying portfolio now invested in USD Chinese Credit and 36% invested in RMB Credit. The Target Fund Manager's USD FX exposure is fully hedged and the underlying portfolio's Renminbi exposure is currently at 100%. The duration of the underlying portfolio remains at 2.6 with the Target Fund Manager's positions in offshore USD credit contributing 1.9 and their positions in onshore Renminbi bonds contribution 0.7 respectively. The overall rating of the underlying portfolio is BBB- with a horizon rate of return (expected income including interest rate differentials arising from currency hedging back to the Renminbi) of 6.9%.

**TARGET FUND'S POSITIONING**

The Target Fund Manager sees underlying portfolio resilience and credit quality increasing in importance for investments in the coming months. The Target Fund Manager's underlying portfolio has been resilient, exhibiting low volatility amidst the volatility associated with the coronavirus given the diversification between the onshore and offshore Chinese bond markets. Expectations of policy easing in China continues to be tailwind for Chinese fixed income markets.

In the investment grade space, the Target Fund Manager likes onshore central state-owned enterprises, which adds stability to the underlying portfolio through the sector's strong fundamentals. In addition, the LGFV sector is likely to benefit as the government will boost infrastructure spending to stabilize growth. In addition, the Target Fund Manager likes offshore local SOEs holding strategic importance to the state given favourable technicals (strong demand from asset managers and insurance companies) and limited supply going forward.

In the high yield space, the Target Fund Manager continues to see value in sectors such as China HY property given the stable fundamentals and attractive valuations. China had started to tighten financing for Chinese developers which has created a spread premium between the asset classes. Furthermore, the Target Fund Manager's exposure in China property is focused on top companies which would benefit from the deleveraging process on back of more consolidation and increased market share. The Target Fund Manager also like onshore HY industrials given the opportunity for issuer diversification that is absent in the offshore market. At the same time, the Target Fund Manager expects continued easing to benefit the sector with improving credit transmissions.

**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 15 May 2019 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 investor" 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 fixed income transferable securities risk, emerging market risk, restrictions on foreign investments risk, portfolio concentration risk, bond downgrade risk, sovereign debt risk, distressed securities risk, contingent convertible bond risk, credit risk of issuers, liquidity risk, currency risk, derivatives risk and securities lending 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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