RHB Asset Management

FUND FACTSHEET – MARCH 2020

All data expressed as at 29 February 2020 unless otherwise stated

3-year Fund Volatility 6.0 Low Lipper Analytics 11 FEB 2020

RHB MULTI ASSET REGULAR INCOME FUND

The Fund aims to provide regular income and medium to long term capital growth through a multi asset strategy.

INVESTOR PROFILE

This Fund is suitable for investors who:

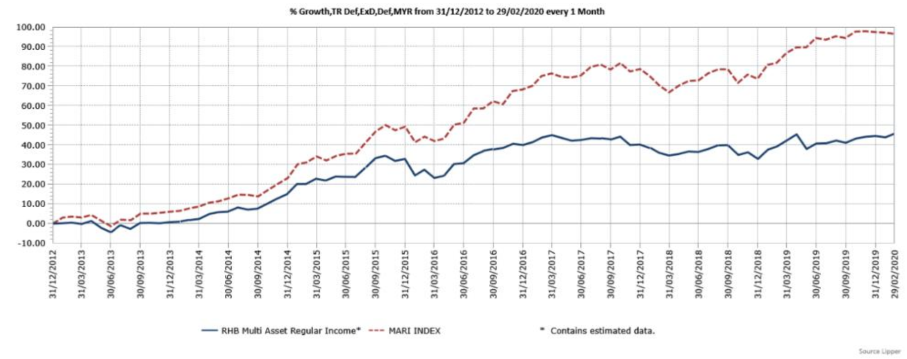
- seek regular income and capital growth over the medium to long term;
- are willing to accept moderate risk in their investments; and
- wish to benefit from investment exposure in the Asia and Asia Pacific (ex Japan) region.

INVESTMENT STRATEGY

- 65% - 98% of NAV: Investments in Asian (ex Japan) debt instruments/bonds, Asia Pacific (ex Japan) dividend equities and Asia Pacific (ex Japan) REITs.
- 2% - 35% 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	**1.35**	**1.15**	**2.55**	**0.88**
Benchmark	-0.31	-0.68	0.63	-0.47

	1 Year	3 Year	5 Year	Since Launch
Fund	**4.72**	**1.44**	**21.35**	**45.92**
Benchmark	8.11	12.24	49.75	96.42

Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	**8.76**	**-5.21**	**0.19**	**5.41**	**15.46**
Benchmark	13.51	-3.38	6.19	12.65	21.25

Source: Lipper IM

FUND DETAILS

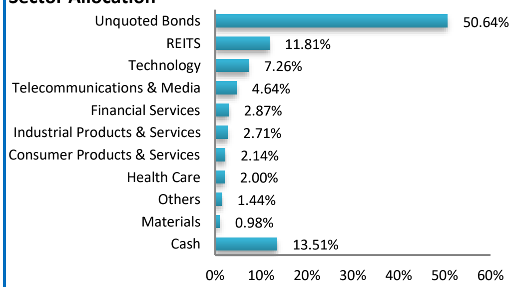
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Mixed Asset Fund
Fund Type	Income and Growth Fund
Launch Date	07 December 2012
Unit NAV	RM0.5421
Fund Size (million)	RM21.58
Units In Circulation (million)	39.80
Financial Year End	31 January
MER (as at 31 Jan 2019)	2.03%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	50% JP Morgan Asia Credit Index TR Composite (RM) + 30% MSCI AC Asia Pacific ex Japan Index (RM) + 20% MSCI AC Asia Pacific ex Japan REITS Index (RM)
Sales Charge	Up to 5.00% of investment amount*
Redemption Charge	None
Annual Management Fee	1.80% p.a. of NAV*
Annual Trustee Fee	Up to 0.08% p.a. of NAV*
Switching Fee	RM25.00 per switch*
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.*

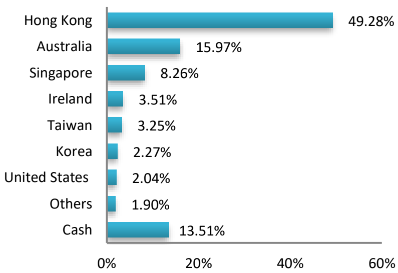
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

BLUESTAR FIN HOLDINGS 6.25% (07/11/2021)	6.16
CITIC 2.85% (25/02/2030)	4.93
GOODMAN GROUP	4.60
PLNIJ 4.875% (17/07/2049)	4.34
CIFIHG 7.625% (28/02/2023)	4.09

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5593	0.5597	0.6266
Low	0.5349	0.5212	0.4636

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
23 Jan 2020	1.0000	1.86
29 Jan 2018	0.8500	1.57
26 Oct 2017	0.8500	1.52
20 Jul 2017	1.4500	2.54
23 May 2017	1.5000	2.54

Source: RHB Asset Management Sdn. Bhd.

RHB MULTI ASSET REGULAR INCOME FUND

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MANAGER'S COMMENTS

MARKET REVIEW

The global market started the month strongly as it recovered from the decline in January amid the outbreak and the "Phase I" trade deal. However, the market broke and saw a steep correction in the last week of February as the CoVID-19 situation intensify where more outbreaks were seen across the world, ending the month with a decline in return of -8.2%. The energy (-14.3%) sector saw the most pressure with oil prices Brent Crude oil dipping below USD50 per barrel. Cyclical sectors such as materials (-9.8%) and industrials (-9.5%) were also significantly affected. The sectors that held up better were communication services (-5.7%), real estate (-6.6%) and healthcare (-6.8%). Within regions, China (+1.0%) and Asia ex Japan (-2.9%) outperformed while US (-8.3%), Japan (-9.2%), and Europe (-9.7%) underperformed.

Confirmed cases across the globe for the novel coronavirus (Covid-19) continue to surge, as the number of infected patients outside of China have exceeded 9,000. While positive signs are present in China, with the number of new cases in China starting to plateau, indicating a level of success in containing the spread, the rapid increase in numbers in Europe, South Korea and Iran is causing significant worry. Cases in Italy and Iran have doubled over the weekend to 1,694 and 978 respectively at the time of writing, while South Korea now has 4,212 cases. In the United States, health officials in the State of Washington have confirmed that a second patient has died from the virus, and the number of confirmed cases have jumped to 84.

While the virus should negatively impact China's growth, Chinese authorities has been providing both monetary as well as fiscal stimulus to cushion the impact on growth. With the new confirmed cases declining steadily in China, along with the support from government, the MSCI China rose 1.0% in the month of February. As the new confirmed cases fall, focus began to shift on resuming activities as domestic consumption especially transport, tourism, retail, lodging and catering have been hit while industrial and construction activities have also been affected. As China's economy is now far larger as compared to 2003 SARS (Nominal GDP of about USD14 trillion vs USD1.5 trillion in 2003) and more connected to the rest of the world, there would be higher impact on global growth as compared to SARS.

Over in the US, the 10-year bond yield has fallen to a historical low of 1.15% as at end February and the 2-year bond yield has broken the 1% level to close the month at 0.91%. Seeing this, the Federal Reserve Chairman Joy Powell signaled in an unscheduled statement saying the Federal Reserve is monitoring the COVID-19 and will act as appropriate to cut rate if necessary despite claiming that fundamentals for the US economy were still intact. The market is pricing expectation for a rate cut in the 18th March meeting and estimates at least 2-3 cut for the year 2020. The FOMC is also scheduled to conclude its policy framework review around mid-2020. There is a dovish shift to the statement language suggesting more resolution toward the transition to an average inflation target. Super Tuesday comes this week and fourteen states hold primaries with 1338 total pledged delegates up for grabs.

Similar to Powell, BOJ Governor Kuroda released an emergency statement and said that the bank "will strive to provide ample liquidity and ensure stability in financial markets through appropriate market operations and asset purchases." It immediately offered to purchase JPY500 billion of government bonds in repo operations.

Korea and Taiwan were not spared as well and saw markets decline by -7.3% and -1.9% respectively, slightly outperformed the global market. Decline in both countries were led mainly by the energy sector, while financials dragged Korea's performance too. During the month, the Bank of Korea did not fazed in view of the outbreak and maintained policy rates, and Samsung launched its Z Flip, which was sold out in 9 minutes in China despite the slow market. In Australia, the market underperformed global market due to energy drag, especially on oil.

In February, Asian USD bonds generated a positive return of 1.01% with investment grade (IG) Asian bonds outperforming the high yield (HY) Asian bonds. Majority of the return was generated from the rally in the underlying US Treasuries on the back of 'flight to quality' in the last week of the month. Asia credit widened meaningfully in the past 2 weeks amidst the deterioration in the containment of COVID-19 globally. The credit spreads for the JP Morgan Asia Credit index increased by 30bps to 221bps, and the IG 21bps wider to 148bps and the HY 50bps wider to 587bps.

MARKET OUTLOOK & STATEGY

We added a few IG bonds to increase the allocation to fixed income to 50.6% NAV. During the month, our bonds in the portfolio performed in line with the general Asian bond market.

In the equities space, we took some profits off Chinese communication services names and Chinese internet stock that have done well for us. We are selective in the internet space and remains invested in names that could be a beneficiary of the outbreak and reduced names that could be impacted like advertising space. We have also took profits on the banks in China and Singapore. Separately, we reduced our exposure to Chinese material and energy names, as well as real estate exposure in Hong Kong and Singapore that will likely be dragged by weaker demand. Elsewhere, we added to selected potential beneficiaries like software services – as more companies adopt cloud services to facilitate work-from-home strategy, and groceries-related names that benefit from higher demand.

In terms of attribution, positive value-add came from our underweight to Australia stocks – which saw significant sell-off towards the end of the month, overweight in China – benefitted from our exposure to potential key beneficiaries and underweight to beta plays, underweight positions to South Korea, and overweight in cash. Sector-wise, our careful selection toward technology plays, communication services, and industrial names added positive value to the fund. Conversely, value detractions mainly came from weak selection effect in the energy, materials, financial and real estate sectors – but we have reduced our positions in these sectors. Nonetheless, the positive value-add was able to offset the value detraction for the month.

In view of the current uncertainties surrounding the CoVID-19 outbreak, the portfolio has adopted a defensive stance with increased cash levels. The portfolio has already reduced our positioning to travel-related, cyclical sectors, China offline retail and China property. We will continue to be positive on sectors including healthcare, E-commerce, and online gaming sectors. With the 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.