

RHB ASIA CONSUMER FUND

This Fund aims to achieve capital appreciation through investment in equities or equity-related securities of Asian (excluding Japanese) companies whose businesses are likely to benefit from or are related to growth in consumer spending in Asia.

INVESTOR PROFILE

This Fund is suitable for investors who:

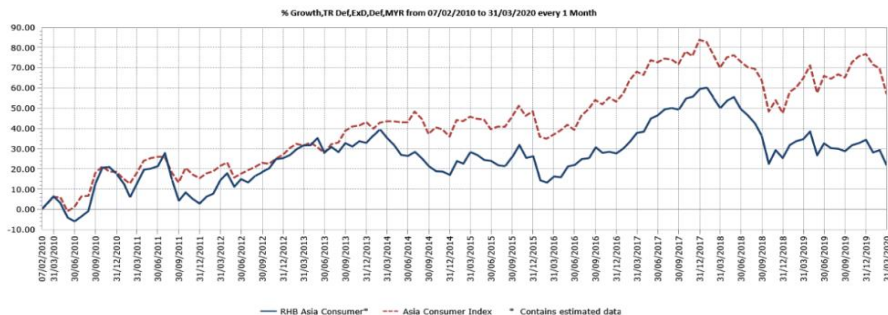
- seek investment opportunities in companies whose businesses are likely to benefit from or related to growth in consumer spending in Asia;
- seek capital appreciation rather than income; and
- are willing to accept a higher risk in their investments to obtain potentially higher returns in the long term.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the units of United Asia Consumer Fund.
- 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	-5.85	-9.42	-5.47	-9.42
Benchmark	-7.46	-11.24	-4.98	-11.24

	1 Year	3 Years	5 Years	Since Launch
Fund	-9.62	-11.64	-5.12	21.79
Benchmark	-4.78	-6.63	7.61	56.93

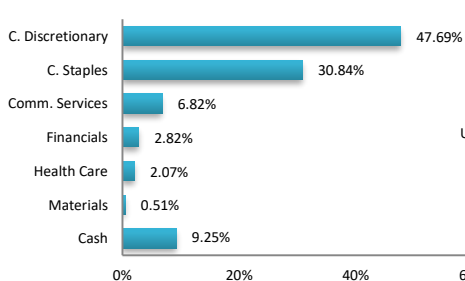
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	7.17	-21.33	24.89	1.15	7.86
Benchmark	19.80	-19.72	19.95	3.21	9.17

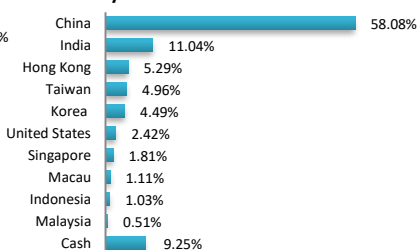
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

ALIBABA GROUP HOLDING LTD	10.19
JD.COM INC	9.37
HINDUSTAN UNILEVER LTD	8.32
TENCENT HOLDINGS LTD	6.82
NEW ORIENTAL EDUCATION & TECHNOLOGY	6.56

*As percentage of NAV

*Source: UOBAM, 31 March 2020. Exposure in United Asia Consumer Fund - 97.34%

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.4805	0.5243	0.6451
Low	0.4085	0.4085	0.4085

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
25 Jul 2019	1.6000	3.26
20 Jul 2018	-	-
20 Jul 2017	5.2000	9.56
31 Jul 2016	-	-
31 Jul 2015	-	-

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

MARKET OUTLOOK AND STRATEGY

The Novel Coronavirus has continued to wreak havoc on global markets as it spreads at an accelerating rate globally and forces many economies into lockdown to contain it.

The Target Fund Manager's base case is that the number of cases resulting from the virus should taper off over the next few months as the containment measures continue. In the past, bear markets have ended when there has been huge global stimulus response. With the huge amount of global stimulus in the markets now after policy bazookas by the US and the ECB, including unlimited QE, markets could recover quickly even as the economy recovers slowly. The Target Fund Manager needs signs that the global spread of Covid-19 is tapering off sustainably. This is still a big question mark, although there are initial signs that new infection rates in Europe come down after weeks of lockdown.

In Asia, continue to see a huge dispersion of performance among markets. China has held up relatively well despite it being the origin and epicenter of the Covid-19 virus. The Covid 19 outbreak in mainland China looks largely contained now, in contrast to the rest of Asia and the World. Mainland China took drastic early steps to stem the tide with lockdowns and social distancing measures. Hence, they look to be on recovery mode now as PMIs have recovered to above 50 after a drastic drop in February. Activity is normalizing again, although it will take some time to recover to Pre-Covid19 levels given that cautious social distancing has become a norm now. On the hand, most ASEAN and India markets have suffered a much sharper drawdown from the Covid-19 fallout as the markets have reacted sharply to a fall in tourism and the impending global slowdown as Covid-19 spreads globally.

On these considerations, the Target Fund Manager maintains their overweight stance on China in the order of first in first out. China was the first to take a significant hit from Covid-19, but also the first to effectively contain its spread and gradually return to normal economic activity. They also have the policy flexibility and effective execution capability to cushion the blow compared to most other major economies. The Target Fund Manager is also positive on China 'A' shares, which are sensitive to China easing policy and also enjoy structure tailwinds such as index representation increase over several years and capital market reforms.

The Target Fund Manager remains underweight Korea. Korea consumer stocks are dominated by both auto names (Hyundai Motors and Kia Motors as well as auto parts suppliers), tourism related names (Duty Free shopping, cosmetics, department stores) and some domestic consumption names. All these segments are expected to be the worst hit sectors during the current situation with tourism coming to a near standstill and auto sales starts to slow down dramatically. The Target Fund Manager is neutral in Taiwan, positioned in the more defensive names (such as convenience stores).

The Target Fund Manager remains underweight in Hong Kong as they are in deep recession given the double whammy of social unrest and plunge in mainland tourism receipts. The Target Fund Manager is slightly underweight India, given its still expensive valuations, and a nationwide lockdown threatening to sluggish domestic demand remains sluggish despite large corporate tax cuts and the economy is still reeling from the Non-bank financial crisis.

For the ASEAN region, the Target Fund Manager is mostly neutral with the exception of Thailand where they have a meaningful underweight. The Thai economy remains one of the hardest hit in terms of consumption given its significant exposure to the tourism industry. Retail names are some of the most affected and domestic consumption remains weak as a result of a major slowdown in the economy.

Despite the Target Fund Manager's continued constructive stance on Asia over the longer term, particularly in China, there are still several risks ahead. The main one is the failure of US and Europe to contain the Covid19 outbreak and millions become infected like the seasonal flu. China could face a second wave of infections from imported cases as it relaxes border controls in an attempt to normalize economic activity. The global lockdowns could be extended if the virus is not contained, with further damage to the economy, swelling unemployment and corporate bankruptcies.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 March 2020, the Volatility Factor (VF) for this fund is 12.2 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 6 October 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 for the Fund are management risk and foreign investment risks such as country risk and currency risk and the specific risks of the Target Fund are market risk in Asian (excluding Japan) markets, foreign exchange risk, political risk, derivatives risk, liquidity risk, small capitalisation companies risk, single sector and regional risk, counterparty risk, financial institution risk, equity risk, broker risk and investment management 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.

RHB Asset Management Sdn Bhd (174588-X)
Head Office: Level 8, Tower 2 & 3, RHB Centre, 50400 Kuala Lumpur
General Line: 603-9205 8000
www.rhbgroup.com


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