RHB Asset Management

FUND FACTSHEET – MARCH 2020
All data expressed as at 29 February 2020 unless otherwise stated

RHB ASIAN INCOME FUND - SGD

The Fund aims to provide income and capital growth over the medium to long term by investing in one target fund, i.e. the Schroder Asian Income.

INVESTOR PROFILE

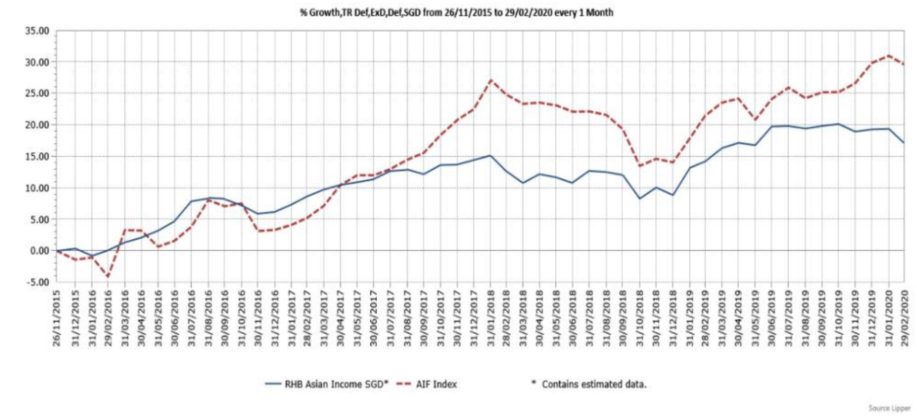
This Fund is suitable for:
•'Sophisticated Investor(s)' as defined in the Information Memorandum.

INVESTMENT STRATEGY

• At least 95% of NAV: Investments in the class X units of the Target Fund.
• 2% - 5% of NAV: Investments in liquid assets including money market instruments and Placements of Cash.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	**-1.97**	**-1.60**	**-2.01**	**-1.90**
Benchmark	-1.10	2.32	4.27	-0.25

	1 Year	3 Years	Since Launch
Fund	**2.47**	**7.66**	**16.96**
Benchmark	6.65	23.14	29.50

Calendar Year Performance (%)*

	2019	2018	2017	2016
Fund	**9.60**	**-4.88**	**7.70**	**5.77**
Benchmark	13.88	-6.92	18.59	4.81

Source: Lipper IM

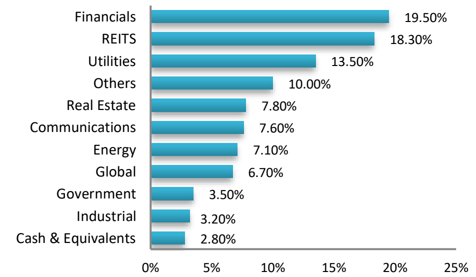
FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Wholesale Feeder Fund
Fund Type	Income Fund
Launch Date	05 November 2015
Base Currency	Singapore Dollars (SGD)
Unit NAV	SGD 1.0194
Fund Size (million)	SGD 102.58
Units In Circulation (million)	100.63
Financial Year End	30 November
MER (as at 30 Nov 2019)	0.77%
Min. Initial Investment	SGD 5,000.00
Min. Additional Investment	SGD 1,000.00
Benchmark	50% MSCI AC Asia Pacific ex Japan Net + 50% JP Morgan Asia Credit Index (SGD Hedged)
Sales Charge	Up to 5.50% 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	Not applicable
Redemption Period	Within 10 days after receipt the request to repurchase
Distribution Policy	Quarterly, if any

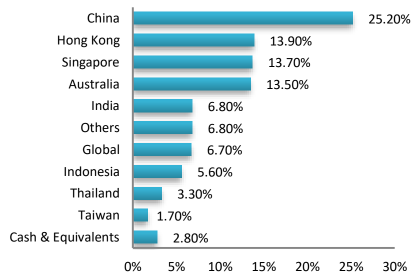
**All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.*
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

HK ELECTRIC INVESTMENTS	2.10
ASCENDAS REITS	2.00
POWER ASSETS HOLDINGS LIMITED	1.90
MAPLETREE COMMERCIAL TRUST REIT	1.80
MAPLETREE INDUSTRIAL TRUST REIT	1.80

**As percentage of NAV*
**Source: Schroder, 29 February 2020. Exposure in Schroder Asian Income - 97.18%*

FUND STATISTICS

Historical NAV (SGD)

	1 Month	12 Months	Since Launch
High	1.0760	1.0902	1.1023
Low	1.0194	1.0194	0.9738

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
25 Feb 2020	1.0000	0.95
27 Nov 2019	1.1000	1.03
27 Aug 2019	1.1000	1.03
28 May 2019	1.0000	0.95

Source: RHB Asset Management Sdn. Bhd.

3-year Fund Volatility 4.6 low Lipper Analytics 11 FEB 2020

RHB ASIAN INCOME FUND - SGD

The Fund aims to provide income and capital growth over the medium to long term by investing in one target fund, i.e. the Schroder Asian Income.

MANAGER'S COMMENTS

MARKET OVERVIEW

Asian equities fell sharply in February amid concerns over the spread of coronavirus and its potential impact on growth. Thailand and Indonesia were the weakest markets within Asia, followed by South Korea which now has the largest number of cases outside China. By contrast, Chinese equities held up well as coronavirus infection rates in the mainland appeared to stabilise and some activity indicators started to improve. In fixed income, government bond yields declined markedly amid a flight to safety, with the US 10-year bond yield falling 39 bps to 1.13%.

MARKET STRATEGY AND OUTLOOK

Equity

Underlying portfolio activities were rather muted over the month as the Target Fund Manager maintained a cautious stance. The Target Fund Manager added to defensive names, including utility providers and telecom names across India, Hong Kong and Singapore, which should provide some cushion against volatile markets. The Target Fund Manager then introduced a new position in an Indonesian bank which boasts healthy loan growth and stable margins which should support its dividend yield. The bank is mostly dominated by corporate and commercial loans, but the Target Fund Manager also see promising prospects in mass-market consumer loans and micro-finance. At the same time, the Target Fund Manager expects further policy easing and liquidity injection from the government to remain supportive. On the other hand, the Target Fund Manager closed their position in a Chinese energy name in view of weaker oil prices and a fragile demand outlook given the impact of the coronavirus. The Target Fund Manager expects the company's profit growth to come under pressure.

For equities, the Target Fund Manager expects earnings forecasts to be adjusted downwards in some areas. Industries that are most vulnerable to the COVID-19 shock are manufacturing, gaming, tourism and consumption/travel-related industries (retail, airlines etc.) as they have borne the brunt of the demand shock as travel-related activity has dramatically reduced. At the same time, the sharp pull-back in markets in recent days is starting to throw up more interesting value opportunities. While still early days, the Target Fund Manager believes that the extraordinary fiscal measures could potentially translate into investments which ultimately could lead to stronger demand for commodities, while some technology or consumption related companies also now offer some interesting yield even after adjusting for earnings and dividend cuts.

Fixed Income

Overall, the Target Fund Manager continued to trim their high yield exposures to reduce risk and portfolio vulnerability. The Target Fund Manager reduced sectors that are fundamentally sensitive to COVID-19 such as travel, retail and real estate; for example, the Target Fund Manager closed their position in a Macau casino operator. On the other hand, the Target Fund Manager introduced selective new issues, such as a Chinese construction company which is investment grade rated and should benefit from upcoming new contracts. The Target Fund Manager continued adding to a Chinese internet giant, as its mobile-game business is poised for faster growth into 2020, with a sequential jump in 3Q sales. In the longer term, the company should be well placed to further monetize its user base via a range of online products including fintech and business services. The overall underlying portfolio duration is at 1.6 years.

With economic growth moderating, the Target Fund Manager expects more stimulus from global policymakers on both monetary and fiscal front, yet policy tools and space differ across economies. Countries such as Thailand, Malaysia, Indonesia and Philippines tend to lean towards monetary policy as they have less fiscal space, while China, North Asia and Singapore has the most space available for fiscal stimulus. Looking within the credit space, the Asia market has an investment grade bias with significant portion of high grade SOEs from China, thus the asset class has remained relatively resilient compared to the rest of the universe. Therefore, while the Target Fund Manager expects to see near-term pressure on certain sectors, overall credit fundamentals of Asian credit still look largely intact as the universe has built up some immunity in recent years with Net Debt/EBITDA trending down and liquidity remaining adequate.