

RHB ASIAN INCOME FUND

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 Investors who:

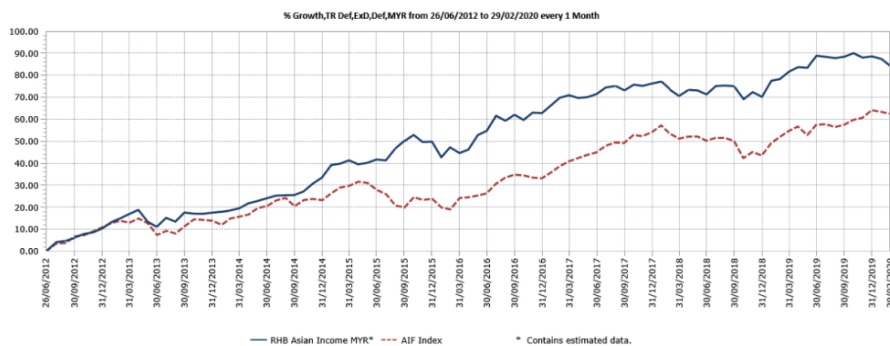
- seek income and capital growth over the medium to long term;
- have moderate risk appetite; and
- seek investment opportunities in the Asian region.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the units of Schroder AI.
- 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	-1.66	-1.95	-1.83	-2.24
Benchmark	-0.53	1.17	3.87	-0.97

	1 Year	3 Years	5 Years	Since Launch
Fund	3.35	8.64	31.96	84.34
Benchmark	7.01	17.13	25.95	62.51

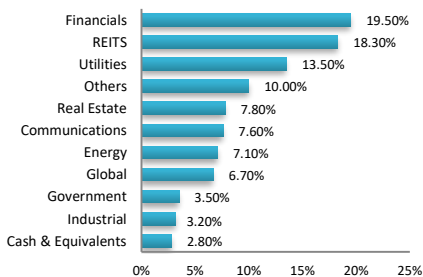
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	10.72	-3.30	8.25	8.62	14.56
Benchmark	14.26	-6.81	15.65	7.53	16.21

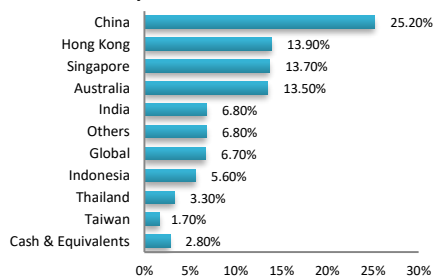
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

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

*As percentage of NAV

*Source: Schroder, 29 February 2020. Exposure in Schroder Asian Income - 96.67%

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6476	0.6706	0.6836
Low	0.6227	0.6227	0.5000

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
23 Jan 2020	0.8000	1.24
29 Oct 2019	1.0000	1.53
25 Jul 2019	0.8000	1.22
25 Apr 2019	0.8000	1.25

Source: RHB Asset Management Sdn. Bhd.

RHB Asset Management Sdn Bhd (174588-x)

Head Office: Level 8, Tower 2 & 3, RHB Centre, 50400 Kuala Lumpur

General Line: 603-9205 8000

RHB ASIAN INCOME FUND

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.

DISCLAIMER:

Based on the fund's portfolio returns as at 11 February 2020, the Volatility Factor (VF) for this fund is 5.1 and is classified as "Low". (source: Lipper) "Low" includes funds with VF that are above 1.8 but not more than 6.1 (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 Prospectus dated 6 October 2017 and its supplementary(ies) (if any) ("the Prospectus") before investing. The 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 Prospectus relates will only be made on receipt of a form of application referred to in the Prospectus. For more details, please call 1-800-88-3175 for a copy of the PHS and the Prospectus or collect one from any of our branches or authorised distributors.

The Manager wishes to highlight the specific risks of the Fund are market risk in asia, credit risk, investment grade, below investment grade and unrated debt securities risk, risks relating to distributions, emerging markets and frontier risk and derivatives risk. These risks and other general risks are elaborated in the 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.