

RHB ASIAN REAL ESTATE FUND

This Fund aims to achieve a long term capital appreciation through investments in the real estate market.

INVESTOR PROFILE

This Fund is suitable for investors who:

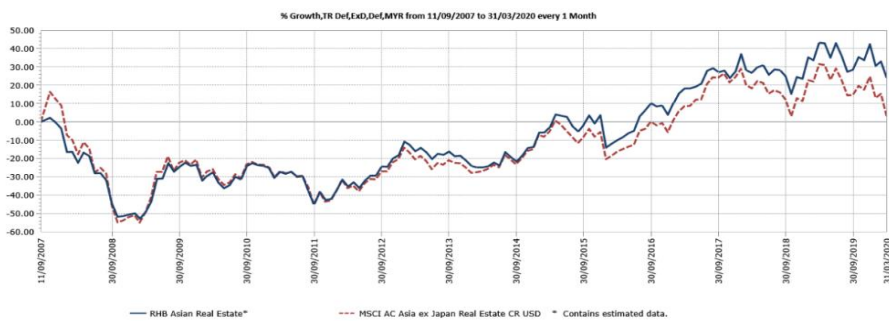
- wish to participate in the opportunities offered by the Asian real estate markets;
- are willing to accept moderate to high risk in their investments; and
- prefer capital growth rather than income over a long term period.

INVESTMENT STRATEGY

- Up to 98% of NAV (with at least 70% of NAV in equity): Investments in primarily Asian real estate securities and listed Real Estate Investment Trusts (REITs).
- 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	-6.74	-12.88	-3.47	-12.88
Benchmark	-10.61	-17.33	-10.11	-17.33

	1 Year	3 Years	5 Years	Since Launch
Fund	-13.41	4.78	27.52	24.00
Benchmark	-21.60	-5.03	8.58	3.11

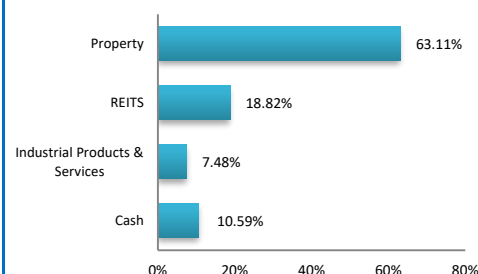
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	15.24	-3.23	22.97	0.04	20.18
Benchmark	11.96	-10.39	31.42	-0.05	11.03

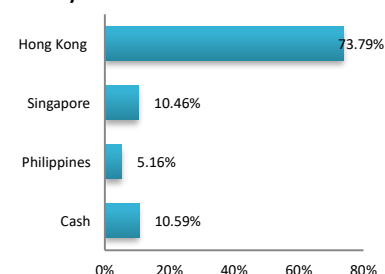
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

SUN HUNG KAI PROPERTIES LTD	10.64
LINK REIT	8.36
CHINA OVERSEAS LAND & INVESTMENT	5.19
CHINA RESOURCES LAND LTD	5.02
SUNAC CHINA HOLDINGS LTD	4.98

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6842	0.7377	0.7377
Low	0.5733	0.5733	0.2187

Source: Lipper IM

FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	Maybank Trustees Bhd
Fund Category	Equity Fund
Fund Type	Growth Fund
Launch Date	22 August 2007
Unit NAV	RM0.6200
Fund Size (million)	RM7.20
Units In Circulation (million)	11.62
Financial Year End	31 March
MER (as at 31 Mar 2019)	2.85%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	MSCI AC Asia-ex-Japan Real Estate 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	0.08% p.a. of NAV, subject to a min. of RM18,000 p.a.*
Switching Fee	RM25.00 per switch*
Redemption Period	Within 10 days after receipt the request to repurchase
Distribution Policy	Annually, 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.

RHB ASIAN REAL ESTATE FUND

This Fund aims to achieve a long term capital appreciation through investments in the real estate market.

MANAGER'S COMMENTS

MARKET REVIEW

In China, the preliminary data of developers' March contracted sales was released by CRIC on 31 March. Sales for the Top-100 developers showed a sharp 136%/ 129% MoM rebound in gross/attributable terms in March, after a 44%/42% plunge in February. March sales saw 189%/271% growth compared with Jan in gross/attributable terms for the Top-100 developers. On a YoY basis, sales decline narrowed to 18%/16% in gross/attributable terms from 38% in February. YTD sales dropped 21% in gross/attributable terms sales for 3M20. The high-frequency data suggest sales volume in top 30 cities are 91% back on track in the last week of March, up from 71%/52% one/two weeks earlier. Data from CREIS on city volume also showed an improved 28%yoy decline (i.e., -48%/ -23%/ -17% yoy at T1 / T2/ T3 cities), with a few well-received new launches in YRD (NJ, HZ, Suzhou etc) and YRD (Shenzhen, DG). A few names (e.g., Sunac, Yueshi, etc) see sales office/construction in Hubei gradually resuming from late March and expect a substantial recovery in Apr, even in Wuhan.

In Hong Kong, the property market declined during the month with concerns over slower residential property sales. The outbreak of coronavirus continue to cast dark shadows on the economic outlook of Hong Kong despite the social unrest cooling down slightly after November. While the Hong Kong government has taken tough measures to fight the epidemic, uncertainties on the outbreak remain high and may cause dramatic disruptions to both production and consumption.

MARKET OUTLOOK AND STRATEGY

In spite of the Covid-19 pandemic, China property's self-recovery is faster than what is being seen for other sectors and also faster than our expectations, even though the post-Covid stimulus is not targeting property. We believe this is attributable to the resilient nature of housing demand and supportive local government measures. Our channel checks suggest that almost all sales offices except Wuhan/Hubei have reopened, and some developers saw traffic back to last year's level. It is expected that sales activity will be back to normal in April. In addition, the construction resumption rate has reached >90% in general. We expect growth in T1/2/ strong T3 cities given more liquidity (post easing) with lower land supply (2M20 land volume -36%yoy in 300 cities), and still-low inventory (10-11 months) on intact basic demand. Prices at T4/5 cities are pressured with 5-10% decline given demand has been hurt (fewer homecoming workers on CNY), ample land supply and not-low inventory level. Land prices at key cities are intact due to the increased leverage after local govts allowed lower deposit/ lengthened payments. Key is to protect low-tier purchasing power. Backed by domestic demand and supply, the volume recovery amid supply-side property policy and overall monetary bias supports the earnings resilience and help the sector to stand out among volatilities. We expect further rebound can be triggered by city-specific, demand-side policy or fiscal stimulus against macro-risk on purchasing power, and sector valuation. We have sold off HK developers amidst the weak environment but have added Chinese property names. We are now also accumulating quality REITs for the portfolio as we try to take advantage of the chase for yield amidst a period of low interest rate globally.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 March 2020, the Volatility Factor (VF) for this fund is 15.8 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 3 September 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 of the Fund are real estate risk, foreign investment risks such as country risk and currency risk and equities investment risks such as market risk and particular security 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.