FUND FACTSHEET – MARCH 2020

All data expressed as at 29 February 2020 unless otherwise stated

RHB CHINA BOND FUND - USD HEDGED CLASS

The Fund aims to maximise total return by investing in one (1) target fund.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the RMB denominated class I6 units of the Target Fund.
- The balance of the NAV: Investments in liquid assets including money market instruments, Deposits and collective investment schemes investing in money market instruments and Deposits.

INVESTOR PROFILE

This Fund is suitable for:

- 'Sophisticated Investor(s)' as defined in the Information Memorandum.

FUND PERFORMANCE ANALYSIS

There is no performance record as the Fund launched less than 1 year.

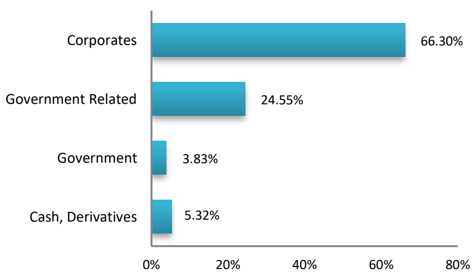
FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	CIMB Commerce Trustee Bhd
Fund Category	Wholesale Feeder
Fund Type	Growth Fund
Launch Date	15 May 2019
Base Currency	RMB
Unit NAV	USD1.0470
Fund Size (million)	USD5.05
Units In Circulation (million)	4.83
Financial Year End	31 August
MER	Not available
Min. Initial Investment	USD1,000.00
Min. Additional Investment	USD500.00
Benchmark	1-year China Household Savings Deposits Rate Index
Sales Charge	Up to 3.00% of investment amount*
Redemption Charge	None
Annual Management Fee	Up to 1.20% p.a. of NAV*
Annual Trustee Fee	Up to 0.04% p.a. of NAV*
Switching Fee	USD 10.00 per switch*
Distribution Policy	Incidental

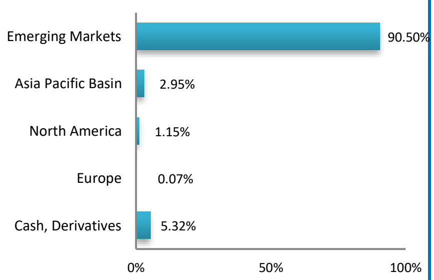
**All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.*
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management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

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Region Allocation*



Top Holdings (%)*

CHINA PEOPLES REPUBLIC OF GOVERNM 3.86 (22/07/2049)	2.27
COASTAL EMERALD LTD RegS 4.3 (31/12/2049)	2.04
CHINA PEOPLES REPUBLIC OF GOVERNM 4.08 (22/10/2048)	1.56
SHANGRAO INVESTMENT HOLDINGS INTER RegS 4.3 (16/01/2023)	1.46
CHENGDU COMMUNICATIONS INVESTMENT RegS 4.75 (13/12/2027)	1.40

**As percentage of NAV*

**Source: Black Rock, 29 February 2020. Exposure in BlackRock Global Funds - China Bond Fund - 97.27%*

FUND STATISTICS

Historical NAV (USD)

	1 Month	12 Months	Since Launch
High	1.0498	N/A	1.0498
Low	1.0412	N/A	0.9980

Source: Lipper IM

RHB CHINA BOND FUND - USD HEDGED CLASS

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MANAGER'S COMMENTS

TARGET FUND'S PORTFOLIO ACTIVITY

The Target Fund Manager added CNY duration to hedge downside risk and to capitalise on attractive valuations relative to USD rates, which had tightened significantly more. As of the end of Feb, there is a 200bps difference in yields between markets. In addition, the LGFV sector is likely to benefit from any government boost in infrastructure spending to stabilize growth.

The Target Fund Manager reduced their positioning in HY during the Virus outbreak. However, the exposure of onshore property firms to Hubei province is low, and the Target Fund Manager expects property companies to overcome the current climate as they have sufficient liquidity. Although property companies are expected to see greater caution in land purchases, which may benefit their fundamentals, and a decrease in sales the Target Fund Manager expects pent-up demand to resurface - potentially in Q2 when the situation improves.

TARGET FUND'S POSITIONING

The underlying portfolio remains income-focused with average yields over the past 3 months at 6.9% (in CNH) with an average investment grade rating. In an income scarce world, the yield to volatility ratio of the strategy remains very attractive.

The Target Fund Manager sees underlying portfolio resilience and credit quality increasing in importance for investments in the coming months. The Target Fund Manager underlying portfolio has been resilient, exhibiting low volatility amidst the volatility associated with the coronavirus given the diversification between the onshore and offshore Chinese bond markets. Expectations of policy easing in China continues to be tailwind for Chinese fixed income markets.

In the investment grade space, the Target Fund Manager likes onshore central state-owned enterprises, which adds stability to the underlying portfolio through the sector's strong fundamentals. In addition, the LGFV sector is likely to benefit as the government will boost infrastructure spending to stabilize growth. In addition, the Target Fund Manager likes offshore local SOEs holding strategic importance to the state given favourable technicals (strong demand from asset managers and insurance companies) and limited supply going forward.

In the high yield space, the Target Fund Manager continues to see value in China HY property, where the Target Fund Manager expects FY19 results to be strong and credit profiles to be generally improving or stable. In 1H20, the Target Fund Manager will likely see revenue recognition and cash collection to be less year on year, but developers usually record weaker 1H due to traditional delivery schedule. For FY20, the Target Fund Manager expects revenue to still grow by 10-15% year on year. Based on the policy loosening trend, the Target Fund Manager is of the view the central govt will allow local govts to adjust based on their needs. The Target Fund Manager favours developers with higher exposure in tier-2 cities and strong tier-3 cities along the coastal provinces. These regions will see stronger rebound when the situation improves due to the accommodative policies and the higher pent-up demand. On top of monetary policy, the Target Fund Manager sees some provinces allowing flexibility for mortgage and land premium payments, resulting in faster processing time for bond issuances onshore. This will benefit the B+ and above developers, and this week alone the Target Fund Manager has seen sizable onshore issuances. The Target Fund Manager expects this trend to continue and all developers under their coverage have sufficient liquidity to withstand over the next 3-6 months.