

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:

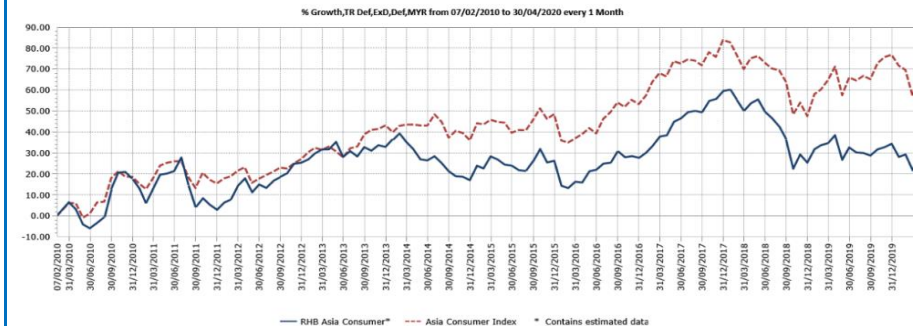
- seek investment opportunities in companies whose businesses are likely to benefit from or related to growth in consumer spending in Asia;
- seek capital appreciation rather than income; and
- are willing to accept a higher risk in their investments to obtain potentially higher returns in the long term.

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	5.74	0.46	-2.28	-4.22
Benchmark	8.20	-1.04	-1.71	-3.95

	1 Year	3 Years	5 Years	Since Launch
Fund	-7.04	-6.97	1.47	28.78
Benchmark	-0.78	1.99	17.26	69.80

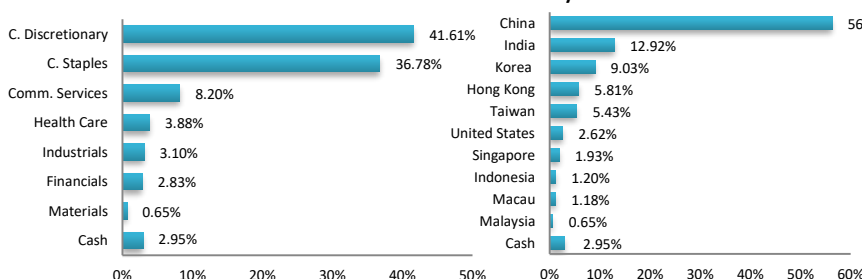
Calendar Year Performance (%)*

	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*



Top Holdings (%)*

ALIBABA GROUP HOLDING LTD	10.08
JD.COM INC	8.52
HINDUSTAN UNILEVER LTD	7.60
TENCENT HOLDINGS LTD	7.10
MEITUAN DIANPING	5.14

*As percentage of NAV

*Source: UOBAM, 30 April 2020. Exposure in United Asia Consumer Fund - 97.47%

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.4688	0.5193	0.6451
Low	0.4298	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 markets have enjoyed a relief rally in April following unprecedented global stimulus by around the World, signs that the Covid19 infection rate is flattening out, promising trials of a cure and the major economies in Europe and US are planning to end their lockdowns and reopen again.

The Target Fund Manager's base case has panned out i.e the number of Covid-19 cases are tapering off with the lockdown measures in Europe and the US. The Target Fund Manager also note that in the past, bear markets have ended when there has been huge global stimulus response. Coupled with unlimited QE by the Fed, markets could recover quickly even as the economy recovers slowly. Moreover, Asian markets are still cheap, not in price to earnings given recent huge earnings downgrades, but on price to book, Asia is trading at close to 1 standard deviation below historical mean.

Nonetheless, it is still far from clear if the global spread of Covid-19 is tapering off sustainably. While it has levelled off in Europe and some parts of Asia, it is still a problem in the US and other parts of the developing World. Moreover, as lockdowns end and economies re-open, it could trigger a new wave of infections again.

In Asia, the Target Fund Manager has a huge dispersion of performance among markets over 2020, despite the April relief rally in some of the worst performing countries. The China market has held up relatively well, having largely contained the virus and re-opened their economy despite it being the origin and epicenter of the Covid-19 virus. The Covid 19 outbreak is largely contained and economic activity is getting back to normal now. The Target Fund Manager has already seen significant recovery in selected areas of consumption and property sales. The Target Fund Manager has also seen the Covid 19 situation in Korea, Taiwan and Hong Kong stabilize and resumption of economic activity. In contrast, most of ASEAN and India are still struggling to contain the virus and are still largely in lockdown mode, though they have plans to resume activity gradually soon.

The Target Fund Manager continues to position favorably towards North Asian countries that have proven to be able to successfully contain the virus spread and then gradually return to normal activity levels. On the other hand, the Target Fund Manager continues to underweight the ASEAN markets and India countries where the Covid 19 situation has not yet stabilized and the path to economic recovery is still very uncertain.

On these considerations, the Target Fund Manager maintains their overweight stance on China in the order of first in first out. There are already signs of strong recovery in selected areas of consumption and property sales. The country has a large domestic market than can cushion the fall in external demand too. Mainland China also still has significant policy ammunition to tackle future crises, having positive real interest rates, strong reserves and only a modest fiscal deficit. 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 maintains their defensive positioning in Korea and Taiwan, after upgrading them the previous month. They have effectively contained the spread of Covid19 and most economic activities have resumed. However, unlike China, they do not have a large strong domestic economic engine and are more vulnerable to the imminent global economic slowdown.

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 remains underweight India, given its still expensive valuations, and continued nationwide lockdown further adding headwinds to an already sluggish domestic economy still reeling from the Non-bank financial crisis.

For the ASEAN region, the Target Fund Manager is largely underweight with the exception of Singapore where they are slightly overweight. Apart from the Covid-19 fallout, political uncertainty and loosening monetary policy would prove to be less effective in countering the lack of demand, fall in tourism and supply disruption from China. The Singapore dollar has been more stable compared to the other ASEAN countries throughout this crisis. The high dividend yield should provide some support in this ongoing uncertain environment.

This month, the relative performance of the Target Fund has been hurt by its relatively defensive positioning. The market appears to be more optimistic following news that in the short term, many countries are considering easing restrictions and allowing businesses to restart. Whilst the Target Fund Manager has a slightly more constructive stance compared to last month, there are still risks ahead. Sluggish external demand may their recovery despite resumption of domestic activity. Moreover, there could be a spike in Covid19 infection rates as economies re-open from lockdowns, prolonging the vicious circle of lockdowns and delay in economic recovery. The Target Fund Manager expects markets to remain volatile in the coming months and they will continue to monitor the data to decide if there are signs of recovery. In the meantime, the Target Fund Manager would continue to hold a more prudent investment stance.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 April 2020, the Volatility Factor (VF) for this fund is 12.5 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. This update does not amount to indicate that the SC has recommended or endorsed the Fund. 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.

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