FUND FACTSHEET – MAY 2020

All data expressed as at 30 April 2020
unless otherwise stated

3-year Fund Volatility 11.6 high
Lipper Analytics 10 APR 2020

RHB ASIA PACIFIC FUND

This Fund aims to achieve long term capital appreciation through investments in securities of companies listed or traded in emerging and developed markets.

INVESTOR PROFILE

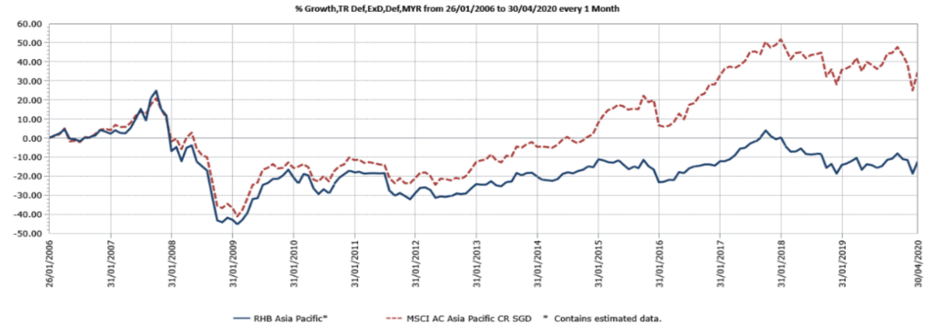
This Fund is suitable for investors who:
- wish to participate in the upside of the Asia Pacific markets;
- are willing to accept moderate to high risk in their investments;
- prefer capital growth rather than income over a long term period.

INVESTMENT STRATEGY

- Up to 98% of NAV: Investments in securities of and securities relating to companies that have high growth potential.
- 2% - 10% of NAV: Investments in liquid assets including bonds, 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	**7.72**	**-1.44**	**-0.98**	**-4.59**
Benchmark	7.64	-6.35	-6.67	-8.86

	1 Year	3 Years	5 Years	Since Launch
Fund	**-2.11**	**-3.38**	**0.81**	**-12.06**
Benchmark	-5.22	-1.55	16.48	34.60

Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	**12.94**	**-17.85**	**16.05**	**2.61**	**-1.76**
Benchmark	15.15	-13.81	16.11	6.92	17.54

Source: Lipper IM

FUND DETAILS

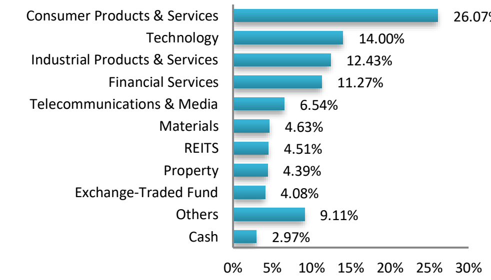
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Equity Fund
Fund Type	Growth Fund
Launch Date	06 January 2006
Unit NAV	RM0.3348
Fund Size (million)	RM4.03
Units In Circulation (million)	12.03
Financial Year End	31 December
MER (as at 31 Dec 2019)	3.27%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	MSCI AC Asia Pacific Index (RM)
Sales Charge	Up to 5.26% of investment amount*
Redemption Charge	None
Annual Management Fee	1.50% p.a. of NAV*
Annual Trustee Fee	Up to 0.07% p.a. of NAV*
Switching Fee	RM25.00 per switch*
Redemption Period	Within 10 days after receipt the request to repurchase
Distribution Policy	Annually, if any and will be reinvested

**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.*

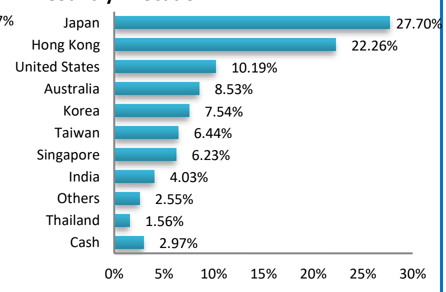
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

ALIBABA GROUP HOLDING LTD	5.50
TOPIX EXCHANGE TRADED FUND	4.08
TENCENT HOLDINGS LTD	3.45
TOYOTA MOTOR CORP	3.33
WIWYNN CORP	2.76

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.3348	0.3593	0.5975
Low	0.3049	0.2869	0.1994

Source: Lipper IM

3-year Fund Volatility 11.6 high Lipper Analytics 10 APR 2020

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MANAGER'S COMMENTS

MARKET REVIEW

The financial market welcomed the implemented stimulus measures as Asia markets as measured by the MSCI Asia Pacific Index gained 8.1% in April. The rebound was broad based with all countries and sectors recording positive returns. India (+16.1%), Taiwan (15.0%) and Thailand (14.1%) outperformed. Malaysia (+5.0%), Japan (+5.4%) and China (+6.3%) recorded the lowest gains. Cyclical sectors such as Energy (+18.5%) and Materials (+17.2%) posted the strongest returns while financials (+6.6%) underperformed. The oil market was caught between record oil supply and storage concerns despite OPEC+ agreement to cut production early in the month, which drove unprecedented energy moves including a 40% drop in Brent to negative territory.

Markets rebounded as the lockdown measures continue to show results - the COVID-19 curve continues to flatten. At the time of writing, total confirmed cases reached 3.4 million - an increase from 2.99 million the prior week. Indeed, the narrative in the news has shifted from crisis to recovery. Over a dozen US states, Europe as well as Asia have started removing mobility restrictions after experiencing slower growth in new cases. Major central banks across the world continue to assure the market of their commitment. The Federal Reserve of the United States kept policy steady across the board; announced an expansion of its Municipal Liquidity Facility (MLF) and expanded the scope and eligibility of its so-called Main Street Loan Program. Meanwhile, in Asia, Governments ranging from Hong Kong, Singapore, Malaysia, Thailand, Philippines to Indonesia announced fiscal stimulus packages worth 4-16% of GDP. Many of these measures undertaken by governments and central banks are extend beyond measures taken during the Financial Crisis.

Within the region, countries such as China, Hong Kong (+7.2%), and Korea (8.2%) which reported successful Covid-19 containment measures and easing lockdown measures underperformed following a month of strong performance in March. In China, industrial production and retail sales rebounded as the as economic activity resumes. Healthcare outperformed as a beneficiary of increase demand while sectors such as Materials and Communication Services outperformed as beneficiaries of fiscal policies. Hong Kong (+7.2%) announced that it will resume most public services on May 4th after it reported no new local Covid-19 cases for two weeks. Macau casinos led in the rebound on hopes tourist will soon return. Meanwhile in Korea, lagged as Covid-19 recovery began since mid-March. 60% of companies posting better-than-expected results. Share price languished as concerns on the economic fall-out from the pandemic outweigh. On a sector basis, Healthcare and cyclical sectors such as Materials and Industrials outperformed.

In Japan, Prime Minister Abe extended the month-long state of emergency for about another month past the original May 6 end date as daily increase in infections remain elevated. The extension likely will require the government to propose another package to support the economy. Bank of Japan eased monetary policy further, raising limits on asset purchases. At the press conference, Kuroda emphasized that the BoJ will conduct the maximum easing to prevent a sharp deterioration of the economy, as this economic downturn likely will be more severe than the GFC.

India rallied following the sharp sell-off in March. The government extended the lock-down for a 3rd time to 17th May. The Reserve Bank of India further reduced reverse repo rates by 25 basis points after a 90 basis points cut to 3.75% to incentivize banks to lend. It also injected liquidity into the system through “targeted longterm refinancing operations”, provided refinancing facilities and special liquidity facilities to mutual funds. Taiwan rallied 14.1% driven by cyclical sectors such as Industrials and Materials. Gains in the Technology sector was driven by China’s 5G build out and beneficieries of work-from-home such as servers and data-centres.

Australia rallied 15.3% in USD terms, helped by a 7.8% appreciation in the Australian dollar. Economic indicator reflected the impact of Covid-19 pandemic. The unemployment rate in March came in at 5.2% compared to 5.1% in February, while the Westpac Melbourne Institute consumer sentiment index contracted 17.7% MoM in April.

ASEAN staged a relief rally in April 2020 as countries anticipate an easing of the lockdown measures. Thailand led the markets +15.6% followed strongly by the Philippines +7.1%. Singapore, Malaysia and Indonesia followed behind 5.7%, 4.2% and 3.9% respectively. ASEAN currencies also appreciated against the greenback with Indonesia Rupiah appreciated 8.7% and return to Rp 14,882 level. Oil price also crashed with the WTI May futures dipping into negative territory.

Singapore announced a third support package amounting to S$5.1bn aimed at supporting SMEs and households as the government extends the circuit breaker period to 1st June 2020. On corporate news, Hin Leong, Asia’s top three oil trader, hid $800 million in losses and selling off oil inventories that were collateral for loans. This would have implications for the banking sector with all three Singapore banks having exposure. MAS also announced two new measures for Singapore REITs sector namely extension of timeline to distribute at least 90% of taxable income for tax transparency from 3 to 12 months and higher leverage limit of 50% from 45%. This will allow some breathing space for the REITs and reduce risk of capital raising. Thailand will be reopening the economy in phases starting on 3rd May. Also some domestic flights have resumed. Some measures by the government was backtracked due to the lack of funds e.g the THB 5,000 cash support will be reduced to one month instead of the six months.

In the Philippines, the Enhanced Community Quarantine (ECQ) extension until May 15 for Metro Manila, and other major economic hubs in Luzon, Cebu and Davao as the Government pushes harder to contain the spread of Covid-19. On the macro front, March inflation numbers eased slightly to 2.5% YoY in March from 2.6% in February. Overall, core inflation easing to 3% YoY in March from 3.2% in February. Lastly, in Malaysia, according to the Prime Minister, the Movement Control Order (MCO) has cost the Malaysian economy c.RM2.4bn per day, with the tally to date at RM63bn (4.2% of 2019 GDP) and an estimated RM98bn if it was extended to end-May. Malaysia has announced that the MCO will be limited with most economic sectors allowed to resume. Indonesia market rally was mostly driven by domestic buying. President Jokowi banned the Idul Fitri mudik to curb the spread of COVID19 outbreak.

MARKET OUTLOOK AND STRATEGY

In the previous month, we have opportunistically added to stocks on attractive valuations that worked in our favor. Countries are emerging from lock-downs in stages. We continue to favor China as it is in the early stage of restarting the economy and has more policy space to revive activity along as new cases moderated. Market volatility will continue as risks of re-emergence of Covid-19 outbreaks remain. We will tactically position the portfolio for such a scenario. As such, we will prefer companies with strong cash flow and balance sheet.

Mirroring China’s process, reopening of economies are anticipated in phases. Analysis of China data shows that it takes longer for the consumer to return to normalcy (get back to play) than for manufacturing to recover (“get back to work”). In that, our sector preference are consumer staples, domestic delivery, e-commerce and healthcare. In addition, the portfolio remains with preference for long-term structural themes such as 5G Technology upgrade cycle.

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