FUND FACTSHEET – APRIL 2020

All data expressed as at 31 March 2020
unless otherwise stated

RHB ASIAN INCOME FUND MULTI CURRENCIES - AUD HEDGED CLASS

The Fund aims to provide income and capital growth over the medium to long-term^ by investing in one (1) target fund, i.e. the Schroder Asian Income.

*Note: *"medium to long term" in this context refers to a period of between 3 – 10 years.*

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the class X units of the Target Fund.
- 2% - 5% of NAV: Investments in liquid assets including money market instruments and Placements of Cash.

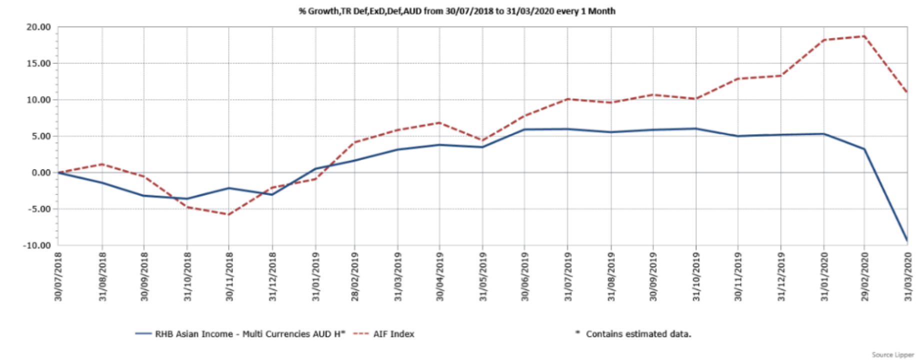
INVESTOR PROFILE

This Fund is suitable for:

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

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	**-12.23**	**-13.90**	**-14.45**	**-13.90**
Benchmark	-6.60	-2.14	0.17	-2.14

	1 Year	Since Launch
Fund	**-12.18**	**-9.45**
Benchmark	4.70	10.83

Calendar Year Performance (%)*

	2019
Fund	**8.50**
Benchmark	15.61

Source: Lipper IM

FUND DETAILS

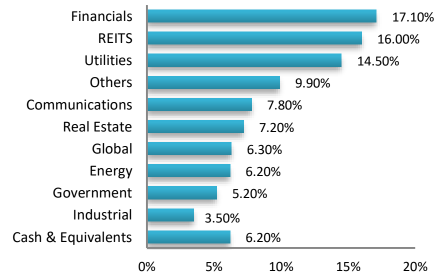
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Feeder Fund
Fund Type	Income Fund
Launch Date	10 July 2018
Base Currency	SGD
Unit NAV	AUD 0.8897
Fund Size (million)	AUD 156.84
Units In Circulation (million)	176.28
Financial Year End	30 April
MER (as at 30 April 2019)	0.61%
Min. Initial Investment	AUD 1,000.00
Min. Additional Investment	AUD 500.00
Benchmark	50% MSCI AC Asia Pacific ex Japan Net (RM) + 50% JP Morgan Asia Credit Index (SGD Hedged)
Sales Charge	Up to 5.50% of investment amount*
Redemption Charge	None
Annual Management Fee	1.80% p.a. of NAV*
Annual Trustee Fee	Up to 0.08% p.a. of NAV*
Switching Fee	AUD 10.00 per switch*
Distribution Policy	Quarterly, 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.*

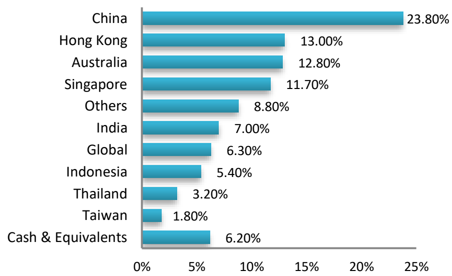
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

HK ELECTRIC INVESTMENTS	2.60
POWER ASSETS HOLDINGS LTD	1.90
AUSNET SERVICES LTD	1.90
ASCENDAS REAL ESTATE INVESTMENT TRUST	1.80
POWER GRID CORPORATION OF INDIA LTD	1.80

**As percentage of NAV*

**Source: Schroder, 31 March 2020. Exposure in Schroder Asian Income - 96.71%*

FUND STATISTICS

Historical NAV (AUD)

	1 Month	12 Months	Since Launch
High	1.0345	1.0725	1.0725
Low	0.8365	0.8365	0.8365

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
23 Jan 2020	0.7500	0.72
29 Oct 2019	1.1000	1.05

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

MARKET OVERVIEW

Asian equities fell sharply in March amid concerns over the spread of coronavirus and its extensive impact on economies and businesses. Breakdown of negotiations between Russia and Saudi Arabia in early parts of the month also caused oil prices to fall dramatically, further exacerbating investor's nervousness. Within Asia, all countries recorded negative returns, with India and Indonesia as the underperformers falling over -25%. By contrast, Chinese equities held up relatively well and fell the least within the index as coronavirus infection rates in the mainland appeared to stabilise. In fixed income, government bond yields continue to decline amid a flight to safety, with the US 10-year bond yield falling 43 bps to 0.70%.

MARKET STRATEGY AND OUTLOOK

Equity

Over the month, the Target Fund Manager introduced two material names in Australia which specialize in mining and yield an attractive payout. These companies have been much more disciplined in their capex decision than in the past, by shutting projects which are loss making and selling shale investment last year. Therefore, from a cash-flow and governance standpoint, a lot has improved since 2016 when the commodities market was under severe pressure. Now with the expected large scale fiscal stimulus in the form of infrastructure spending etc. the Target Fund Manager does believe that over the medium term, at the current valuation, these companies are looking more attractive from an income perspective. Elsewhere, the Target Fund Manager continued adding to defensive names in the utilities and telecom sector as they believe these names should provide some cushion against volatile markets, including a Hong Kong utility provider which boasts a strong balance sheet and a stable dividend outlook. For telecoms, with the looming launch of 5G in a number of countries, as well as the COVID-19 driven demand for more bandwidth etc., earnings are likely be stable if not growing further from here. On the other hand, the Target Fund Manager closed a Hong Kong property developer given headwinds to home sales and the economy amid the ongoing virus outbreak. The Target Fund Manager also exited a Singapore bank driven by expectations of lower interbank rates and interest margins which could weigh on earnings. Finally, as mentioned previously, the Target Fund Manager continues to trim REITs which are more exposed to retail headwinds. In particularly for Singapore REITs, the expected regulation from the government for tenants to ask their landlords for deferral of rents is likely to have an impact on all the REITs the Target Fund Manager holds, including industrial and offices. So in addition to the destination mall exposures that the Target Fund Manager has been trimming, the Target Fund Manager is also taking down some exposure in the industrial space which current valuation remains slightly rich given the expectation on lower dividends due to potential deferral of rental incomes. Offices should remain more resilient in the Target Fund Manager's view, but ultimately they will also get hit and so the Target Fund Manager is selectively reducing but largely the Target Fund Manager is keeping the exposures.

Looking ahead, given the pressure on margins, the Target Fund Manager anticipates dividend cuts / more conservative payouts from companies, although the impact should vary across sectors. Dividends from telecom and utilities should be more resilient compared to other sectors such as financials which face strong headwinds following the recent announcement by a number of regulators to advise banks to halt dividend payments. Another sector that the Target Fund Manager is paying more attention to is technology. The Target Fund Manager continues to expect the tech cycle to rebound once the virus situation improves from here. On a relative basis, the dividend yield of 3 – 4%, and perhaps some growth in the future, now looks more attractive in the zero-interest-rate environment and against the expectation of falling dividends in the REITs and banking sector. Therefore broadly speaking, the Target Fund Manager will gradually rotate from the reduction in REITs / banks into other sectors in the medium term such as telecom, materials and technology as mentioned above where the Target Fund Manager sees more attractive opportunities to capture income and growth.

Fixed Income

Overall, the Target Fund Manager continued to trim their high yield exposures to reduce risk and portfolio vulnerability, such as in China property and energy names with material refinancing/downgrade risk that the Target Fund Manager was not comfortable with. The Target Fund Manager believes the real risk lies in those private smaller players, and in their energy holdings they are focused on those that are either state owned or with strong sovereign support where the default risk is remote. On the other hand, the Target Fund Manager has gradually started to add to quality names with attractive risk/reward and those that can survive the cycle without refinancing issue, but still holding much of the sale proceeds in cash as of month-end as the Target Fund Manager expects more attractive primary market issuances to come in the coming weeks. The overall portfolio duration remains largely at 1.6 years.

Overall, the Target Fund Manager's strategy remains largely defensive. Given the movement in oil prices, the Target Fund Manager has already previously trimmed exposures to names with higher refinancing risks and higher costs of production (which could run into liquidity issue more easily e.g. some commodity players in India). Indian banks are another area that the Target Fund Manager has been avoiding due to expected increase of NPLs and its vulnerability. The key risk to the market is the increase in default risk as a result of the collapse in oil price and the potential contagion effect into other sectors (e.g. banks). Nonetheless given the Target Fund Manager's quality bias and selective approach, the Target Fund Manager remains comfortable with their holdings and do not expect a huge impact from the recent downgrades on their portfolio.

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