FUND FACTSHEET – MAY 2020

All data expressed as at 30 April 2020 unless otherwise stated

3-year Fund Volatility 9.1 low Lipper Analytics 10 APR 2020

RHB EMERGING MARKETS BOND FUND

The Fund aims to provide investors with income and potential capital appreciation by investing in one target fund, i.e. the United Emerging Markets Bond Fund.

INVESTOR PROFILE

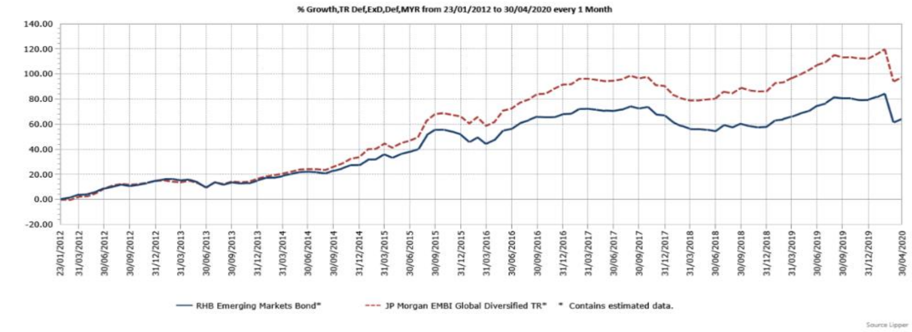
This Fund is suitable for investors who:
- seek income and potential capital appreciation over the longer term;
- have medium to high risk appetite; and
- seek returns in emerging markets debt investments and products.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the units of United Emerging Markets Bond 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	**1.77**	**-9.44**	**-8.93**	**-8.30**
Benchmark	1.77	-8.46	-7.47	-6.90

	1 Year	3 Years	5 Years	Since Launch
Fund	**-2.30**	**-4.18**	**23.40**	**64.35**
Benchmark	-1.17	1.06	39.58	97.29

Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	**13.54**	**-5.48**	**-0.60**	**10.71**	**19.20**
Benchmark	13.87	-2.24	-0.53	15.09	24.25

Source: Lipper IM

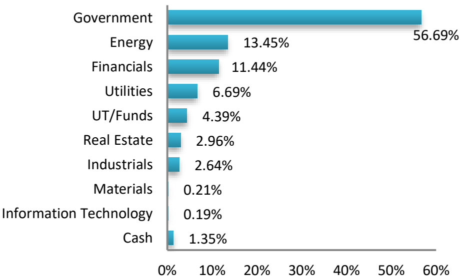
FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Feeder Fund
Fund Type	Income Fund
Launch Date	03 January 2012
Unit NAV	RM0.5303
Fund Size (million)	RM34.96
Units In Circulation (million)	65.92
Financial Year End	28 / 29 February
MER (as at 28 Feb 2020)	1.60%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	JP Morgan Emerging Market Bond Index Global Diversified Index (RM)
Sales Charge	Up to 2.50% of investment amount*
Redemption Charge	None
Annual Management Fee	1.50% p.a. of NAV*
Annual Trustee Fee	Up to 0.08% p.a. of NAV*
Switching Fee	RM25.00 per switch*
Redemption Period	Within 10 days after receipt the request to repurchase
Distribution Policy	Quarterly, if any

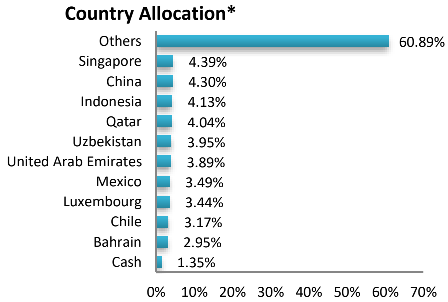
**All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.*
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management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

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

UNITED EMERGING MARKETS LOCAL CURRENCY BOND FUND CLASS SGD ACC	4.39
OJSC RUSS AGRIC BK(RSHB) SUBORDINATED REGS 10/23 8.5	3.44
STATE OF QATAR SR UNSECURED REGS 03/49 4.817	2.23
RUSSIAN FEDERATION SR UNSECURED REGS 03/35 5.1	2.17
GOVT OF BERMUDA SR UNSECURED REGS 02/29 4.75	2.16

**As percentage of NAV*
**Source: UOBAM, 30 April 2020. Exposure in United Emerging Markets Bond Fund - 97.06%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5417	0.6165	0.6681
Low	0.5211	0.5123	0.4959

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
25 Feb 2020	0.8000	1.35
27 Nov 2019	0.9000	1.51
28 Aug 2019	0.6500	1.10
28 May 2019	0.6000	1.06

Source: RHB Asset Management Sdn. Bhd.

3-year Fund Volatility
9.1
low
Lipper Analytics
10 APR 2020

RHB EMERGING MARKETS BOND FUND

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MANAGER'S COMMENTS

MARKET REVIEW

Broad market asset prices recovered from the steep lows in March as market sentiment surged ahead of economic fundamentals – almost downplaying one of the worst global health crisis in decades and its consequent halting of economic activity. Equity markets benefited the most from this resurgence in sentiment as did investment grade assets, particularly those in developed markets such as the US and the EU, as investors predicated their inflows on the view that support from the central banks and proposed fiscal measures will provide a valuable backstop.

Although outflows in the emerging market (EM) asset segment slowed considerably in April, overall EM asset prices remained tepid as investors maintained their cautiousness in evaluating the responses of EM sovereigns in handling the COVID-19 fallout as well as the impact on fiscal balance sheets with further depression in commodity prices, specifically in regards to crude oil. For most of the month, the underlying portfolio benefitted from a sustained widening dispersion between higher quality, investment grade EM assets over weaker, high-yield EM assets as investors favoured the former given improved risk/return dynamics following the steep March sell-offs and continued to relinquish holdings in the latter.

However, the last two days of April saw a sudden, sharp reversal with high-yield EM assets advancing strongly on positive developments over a viable COVID-19 vaccine, and that helped to narrow the EMBIG index spread to 610bps to close the month from an intra-month high of 648bps, and negatively impacted the Target Fund Manager's more defensively positioned underlying portfolio. On a month-to-date basis, the index narrowed by 16bps while the 10-year US treasury rate declined to 0.64% from the prior month's 0.70%.

POSITIONING IN KEY MARKETS

The Target Fund Manager maintained their underlying portfolio positioning with a preference towards EM investment grade issues over its high yield counterparts, and this positioning benefitted the Target Fund for the bulk of the month as high yield EM asset prices continued to drift lower. Nonetheless, the Target Fund Manager opportunistically pared down risk further during the month as the Target Fund Manager weathered the heightened volatility.

In terms of market specific positioning, the Target Fund Manager closed out their small underweight position in Argentina entirely following the utilization of a 30-day grace period after the non-payment of interest payments due in April. The non-payment decision signaled a lack of negotiation faith on the part of the Argentinians by starting the hard bond default clock while attempting to compel private bond holders to accept their restructuring terms. It is now seemingly inevitable that Argentina heads towards its ninth bond default. The Target Fund Manager also pared down their exposure to Mexico given the erratic policy statements by President Andrés Manuel López Obrador (AMLO), and on the weakening fiscal health of the sovereign following the slowdown in growth of its main trading partner, the US. As such, the Target Fund Manager mains positioning in Latin America mainly consists of lower-beta sovereigns such as Uruguay, Colombia and Peru, as well as in the stronger rated sovereigns such as Chile and their state-owned entities.

In Asia, the Target Fund Manager continued to increase their exposure to China as they maintain their view that the country will be able to recover from the COVID-19 issues relatively quicker than the rest of the world. Nonetheless, the Target Fund Manager remains underweight relative to the benchmark as the Target Fund Manager maintains their cautiousness in balancing relative valuation against China's overall slowing growth, corporate credit concerns, and outstanding trade issues with the US. The Target Fund Manager also maintain a neutral stance in Indonesia although recent bond issuances have weighed on Indonesian asset prices.

For CEEMEA, the Target Fund Manager maintains their underweight in oil-dependent African countries such as Angola, Nigeria, and Ghana but will look to revisit their allocations should oil prices stabilize in the near-term as oil production cuts kick-in in May. Within the GCC, recent new issuances have come with favourable concession spreads, and that has aided their IG positioning within the region as Qatari and Abu Dhabi bonds rallied. Similar to the oil-dependent African nations, the Target Fund Manager stays underweight Oman and Bahrain as they are the most susceptible due to high breakeven oil prices and weaker liquidity buffers.

STRATEGY

The Target Fund Manager is cognizant of the sharp reversal in market sentiment but maintain their view over the disconnect between economic fundamentals and weakening economic data. There remains considerable risk over the likelihood of further revisions to growth expectations, fiscal health outlooks and potential increase in debt borrowings as sovereigns attempt to negotiate the COVID-19 fallout.

An essential consideration to note is the impact on future growth on HY EM sovereigns as they scale back on much-needed infrastructure/social/development spending – in a bid to stay current on onerous debt obligations and pay for increased COVID-19 healthcare/stimulus expenditure – which will then perpetuate a negative feedback loop where its inability to introduce growth will further drive up borrowing costs.

Amidst this current market backdrop, the Target Fund Manager will bridge the gap between fundamentals and market technical through opportunistic risk-taking but continue to stress that EM risks are still skewed to the downside should global growth weaken more than expected. Abrupt escalation in geo-political tensions in a heightened environment will also exacerbate downside risks. As such, the Target Fund Manager maintains their advocacy for EM Investment Grade issues over High Yield credits. Lastly, in terms of US treasury rates, the Target Fund Manager reiterates their cautiousness in extending duration excessively given the extensive funding measures introduced by the Fed.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 April 2020, the Volatility Factor (VF) for this fund is 9.1 and is classified as "Low". (source: Lipper) "Low" includes funds with VF that are above 1.8 but not more than 6.1 (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 of the Fund are management risk and country risk and specific risks of the Target Fund are market risk, debt securities risk, emerging markets risk, political and economic risks, repatriation of capital, dividends, interest and other income risks, regulatory risk, nature of investments and market risks, lack of market economy, derivatives risk, synthetic product risk, illiquidity of investments, broker risk, settlement risk, custody risk, counterparty risk, possible business failures, accounting practice, quality of information, legal risk, taxation, foreign exchange and currency risks, banking systems, risk of mismanagement by debt issuers, actions of institutional investors, risk of use of rating agencies and other third parties, exceptional market conditions risk, exceptional market conditions risk, liquidity risk of investments, 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.