

RHB GLOBAL ALLOCATION FUND

This Fund aims to maximise total return expressed in Ringgit Malaysia by investing globally in equity, debt and short term securities, of both corporate and governmental issuers, with no prescribed limits.

INVESTOR PROFILE

This Fund is suitable for Investors who:

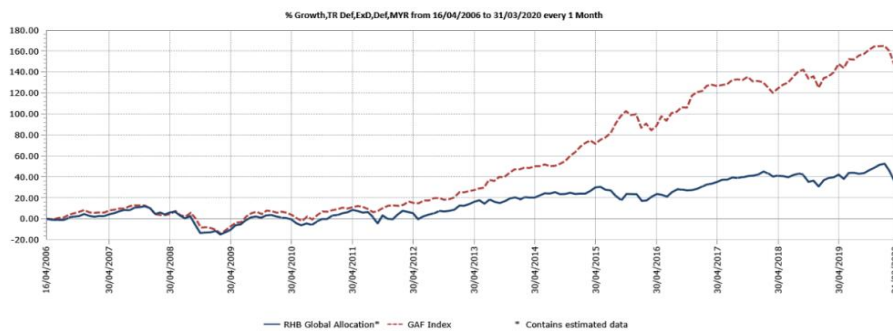
- a well-diversified investment across global markets;
- a flexible and dynamic asset allocation; and
- to invest in an established and proven foreign fund managed by a renowned international fund manager.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in Class A non-distributing shares of the BGF-GAF.
- 2% - 5% of NAV: Investments in liquid assets.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	-6.86	-10.42	-5.53	-10.42
Benchmark	-5.24	-6.93	-4.31	-6.93

	1 Year	3 Years	5 Years	Since Launch
Fund	-2.81	1.68	7.41	35.92
Benchmark	2.79	8.10	41.13	146.29

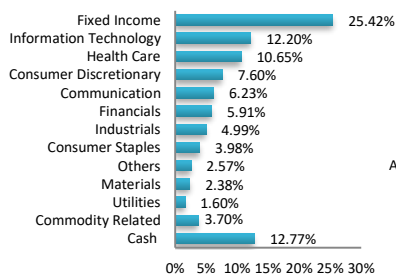
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	15.71	-8.00	10.94	3.83	0.09
Benchmark	17.59	-2.78	4.78	10.92	21.71

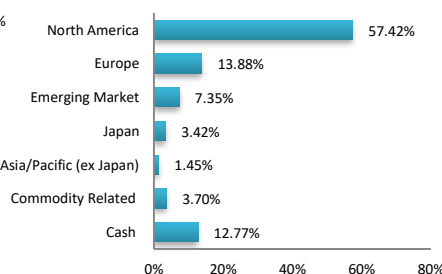
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Region Allocation*



Top Holdings (%)*

TREASURY(CPI) NOTE 0.5 (15/04/2024)	4.63
TREASURY NOTE 1.75 (15/11/2029)	3.08
SPDR GOLD SHARES	2.00
MICROSOFT CORP	1.87
CHINA PEOPLES REPUBLIC OF GOVERNMENT 3.29 (23/05/2029)	1.73

*As percentage of NAV

*Source: Black Rock, 31 March 2020. Exposure in BlackRock Global Allocation Fund - 97.61%

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6673	0.6988	0.6988
Low	0.5607	0.5607	0.3903

Source: Lipper IM

FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Feeder Fund
Fund Type	Growth Fund
Launch Date	27 March 2006
Unit NAV	RM0.6044
Fund Size (million)	RM19.72
Units In Circulation (million)	32.63
Financial Year End	31 August
MER (as at 31 Aug 2019)	0.43%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	36% S&P 500(RM)+24% FTSE World(ex-US)(RM)+24% 5Yr US Treasury Note(RM)+16% Citigroup Non-USD World Govt Bond Index (RM)

Sales Charge Up to 3.63% of investment amount*

Redemption Charge None

Annual Management Fee 1.80% p.a. of NAV*

Annual Trustee Fee Up to 0.07% p.a. of NAV*

Distribution Policy Annually, 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.

RHB GLOBAL ALLOCATION FUND

This Fund aims to maximise total return expressed in Ringgit Malaysia by investing globally in equity, debt and short term securities, of both corporate and governmental issuers, with no prescribed limits.

MANAGER'S COMMENTS

TARGET FUND'S MAIN PORTFOLIO CHANGES

- The global equity market sell-off in March marked the most rapid decline to bear market territory since the onset of the Great Depression. Markets and investor sentiment fell sharply as the widespread impact of the coronavirus became a global pandemic and caused economic activity across most of Europe and the U.S. to temporarily halt across many industries as individuals were urged to stay home to slow the spread of the contagion. Monetary and fiscal response to combat this negative impact has been equally unprecedented, with a +\$2 trillion stimulus package from the U.S. federal government and a willingness of the Fed to expand its balance sheet by an additional \$4 trillion. The combined impact of the U.S. fiscal and monetary response, if fully implemented, could approach nearly 30% of GDP.
- The Target Fund Manager added to select names across the consumer discretionary space including companies in the restaurant industry that they believe have become oversold. In addition, the Target Fund Manager has continued to add to companies in the homebuilding and home improvement space which the Target Fund Manager believes stand to benefit over the intermediate term from low interest rates and an eventual resumption in spending from U.S. consumers.
- The Target Fund Manager continued to add to names in the healthcare sector and increased exposure to companies in the managed care sector as the Target Fund Manager believes that risks associated with a single payer model in the U.S. have subsided materially. Additionally, the Target Fund Manager added to areas within the healthcare equipment sector that are involved in medical testing and virus detection. The Target Fund Manager also added to the biopharmaceutical industry given their belief it is attractively valued relative to other defensive sectors that have similar levels of sustainable growth characteristics. Within biopharma, the Target Fund Manager has an emphasis on companies that the Target Fund Manager believes to be well positioned from an R&D efficiency standpoint to drive incremental levels of free cash flow growth over a multi-year holding period.
- The Target Fund Manager added to select information technology companies that stand to benefit from the transition to cloud computing and select semiconductor exposure which the Target Fund Manager believes have limited business risk despite the economic downturn.
- Within financials the Target Fund Manager reduced positions with exposure to broader Asia. These reductions were made on a company-specific basis and were not prompted by any kind of broad-based concern about Financials generally. Financials represented the Target Fund's most significant underweight relative to its benchmark as of March month-end as the Target Fund Manager remains broadly underweight banks in the UK, Canada, and Australia.
- Portfolio duration was unchanged at 2.1 years as of March month-end, with the majority in U.S. duration as a hedge against equity volatility.
- Despite the unchanged total duration, the Target Fund Manager continues to manage their yield curve exposure to maximize the hedging properties of the book. As such, the Target Fund Manager rotated positions into the 30-year while further reducing their exposure to the short end. As the Federal reserve has reduced policy rates as far as they can, the Target Fund Manager feels that opportunities at the extreme long end of the curve have more potential to provide portfolio diversification than the other parts of the yield curve.
- Recent dislocations in the credit markets, coupled with historic efforts by the Federal Reserve to provide liquidity to various asset classes, have caused us to re-evaluate the risk/return potential of investment grade bonds. The Target Fund Manager selectively added to U.S. investment grade credit over the month, with the healthy new issue calendar giving us the opportunity to add a variety of names across industry sectors and the maturity spectrum.
- The Target Fund Manager managed their Agency MBS exposure over the course of the month, adding to existing positioning earlier in March amid market dislocation and then partially reducing exposure as liquidity improved from Fed purchases later in the month.
- The Target Fund Manager maintained their exposure to gold and gold-related securities. The Target Fund Manager believes gold can provide resiliency in the portfolio and prove to be an effective hedge against equity risk, particularly in environment where massive central bank bond purchases are likely to keep real-interest rates negative for the intermediate term.
- The Target Fund Manager holds exposure to cash in the Target Fund as a diversifying asset class to help manage risk in the portfolio. In addition to U.S. Treasury bills, the Target Fund Manager has exposure to short-term bills in Japan which are hedged from Japanese yen back to dollars and provide 125bps of excess yield relative to US treasury bills.
- Increased overweight positions to the U.S. Dollar (USD) and Japanese yen (JPY), as these currencies have historically proven to be reliable hedges during periods of market volatility. The Target Fund's USD and JPY increases were largely funded at the expense of the Euro, Australian dollar, Chinese yuan, and Indian rupee.

TARGET FUND'S POSITIONING

- Asset allocation (as % of net assets*): Equity: 58%, fixed income: 25%, precious metals: 4%, cash equivalents: 13%
- In his recent blog, Russ Koesterich discusses the magnitude and negative impact the economic restrictions enacted in response to COVID-19 will likely have on GDP growth in Q2. The rebound from there will be a function of 3 factors: the future path of the virus, the timing of lifting of business and personal restrictions and the efficacy of the stimulus. Within the portfolio, the Target Fund Manager remains a near-neutral equity posture, on the view that equity markets have already discounted a significant economic contraction, and the magnitude of the stimulus to be unleashed is unparalleled. Exposure to equities is focused on high quality companies that exhibit earnings consistency and are positioned as beneficiaries of secular themes within the healthcare, U.S. consumer discretionary, communication services, and technology sectors. Outside of equities, the Target Fund Manager holds a meaningful exposure to portfolio hedges, notably duration, gold-related securities, cash, as well as an overweight to the U.S. Dollar and Japanese Yen, to mitigate risk in the portfolio.

* All exposures are based on the economic value of securities and is adjusted for futures, options, and swaps (except with respect to fixed income securities) and convertible bonds. Numbers may not sum to 100% due to rounding.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 March 2020, the Volatility Factor (VF) for this fund is 7.0 and is classified as "Moderate". (source: Lipper) "Moderate" includes funds with VF that are above 6.1 but not more than 8.8 (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 3 September 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, currency risk and country 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.