

RHB ASEAN FUND

This Fund aims to achieve medium to long term capital appreciation through investments in securities of companies with high growth potential.

INVESTMENT STRATEGY

- 70% to 98% of NAV: Investments in equities and equity related securities (such as warrants).
- Up to 30% of NAV: Investments in fixed income securities such as government and semi-government bonds, corporate debt securities and money market instruments.
- 2% - 5% of NAV: Investments in liquid assets including money market instruments and deposits with financial institutions.

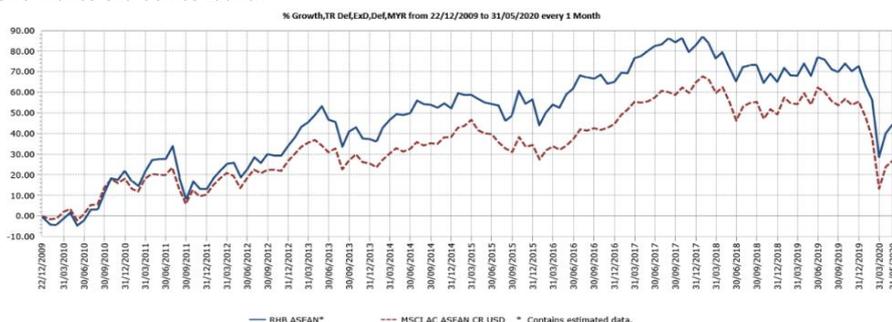
INVESTOR PROFILE

This Fund is suitable for investors who:

- wish to participate in the potential and investment opportunities of the fast growing ASEAN economies; and
- are willing to accept higher risk in their investments in order to achieve medium to long term capital growth.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	3.07	-7.62	-15.20	-16.41
Benchmark	2.43	-7.97	-17.56	-18.42

	1 Year	3 Years	5 Years	Since Launch
Fund	-14.08	-19.87	-6.91	44.36
Benchmark	-17.62	-18.49	-9.40	26.85

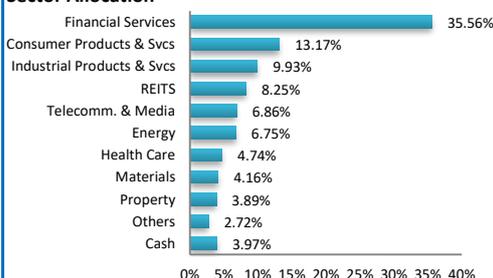
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	4.60	-9.74	10.85	5.55	2.67
Benchmark	4.17	-9.44	13.98	7.64	-2.79

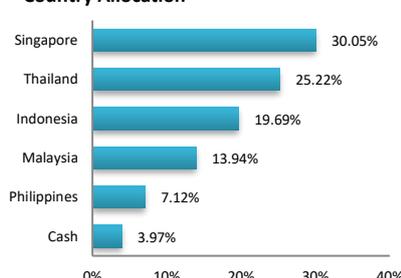
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

OVERSEA-CHINESE BANKING CORP	6.13
BANK CENTRAL ASIA TBK PT	5.77
DBS GROUP HOLDINGS LTD	3.66
UNITED OVERSEAS BANK LTD	3.66
ASCENDAS REAL ESTATE INVESTMENT	3.58

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.3597	0.4854	0.6743
Low	0.3404	0.3192	0.3192

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
24 Apr 2020	3.0000	6.67
25 Apr 2019	3.0000	6.13
20 Apr 2018	3.4000	6.05
28 Apr 2017	-	-
28 Apr 2016	6.0000	11.24

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

MARKET REVIEW

ASEAN continued its rally in May with the MSCI ASEAN up 1.7% in USD terms. Generally countries across the ASEAN region remain optimistic on the prospects of economies opening up.

Singapore's government has slashed GDP target to -4% to -7% in 2020. In support of the economy, the government has released four stimulus packages within four months, with the total package totaling at S\$100bn, valued at 20% of gross domestic product. Strong support from the government comes in the form of reskilling of workers, job openings and subsidies to households, rental waivers to commercial SMEs etc. Singapore's three phased exit strategy began on 2 June 2020. However, it is more cautious and gradual compared to other countries. Furthermore, politically it is an important year as Singapore will be heading to the polls soon. On corporate news, the contract for Singapore Exchange and MSCI Equity Index Futures (ex Singapore) covering ~12% of derivatives volumes will cease on Feb 2021. After 23 years, MSCI will move its Asia equity futures index partnership to HKEX (388 HK). This implies a loss of ~24 contracts, the most popular of which is MSCI Taiwan Index Futures.

Thailand will be reopening the economy in phases starting on 3 May. The State of Emergency law was previously extended by one month till end May, signalling key restrictions of 10pm-4am nationwide curfew, limited interprovincial travel, no mass gatherings, and retain 50% work from home setting for most businesses and offices. Also some domestic flights have resumed. Some measures by the government was backtracked due to the lack of funds, such as the THB 5,000 cash support scheme, 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.

In Indonesia, the government will start to open up in 5 phases. In phase 1, starting in June, limited sectors, such as B2B industries and services, are allowed to open and will reach a new normal in August. Shopping centers will be reopened and social gatherings allowed, with social-distancing protocols levied. Also, the Ministry of Finance's fiscal deficit target was raised again for the second time to 6.27% of GDP.

In Malaysia, a few more businesses or sectors were allowed to resume operations starting from 4 May as announced by the Prime Minister on his Labour Day speech. Most economic and social activity will be allowed except for mass gatherings. Shopping malls and restaurants (dine-in) were also allowed to resume operations. CPO prices also recovered to RM2,373/mt (12.9% MoM), as leading Indian importers started to purchase Malaysia CPO again after months of a diplomatic spat between the countries in early January. In addition, there is also better support for palm oil used for biodiesel given the recent recovery in crude oil price.

MARKET OUTLOOK AND STRATEGY

We have moved our strategy towards more aggressive stance. The portfolio has tilted towards beneficiaries of an economy opening up. We have also increased our exposure to high yield dividend stocks but also increased our exposure to value plays.

In the next 5-10 years, Asia and especially ASEAN will emerge as the region with relatively stronger growth than the rest of the world. ASEAN with the structural advantage in demographics will emerge as the complimentary piece to China's evolution into a giant consumption economy. Adding on to the commitments by the governments in Asia/ASEAN towards infrastructure development, the region will feature prominently as the place for equity investments. We would look to buy stocks during periods where investors largely ignore these positive developments in the region.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 May 2020, the Volatility Factor (VF) for this fund is 15.1 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are more than 14.9 (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 country risk and currency 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.