

### RHB ASIA CONSUMER FUND

This Fund aims to achieve capital appreciation through investment in equities or equity-related securities of Asian (excluding Japanese) companies whose businesses are likely to benefit from or are related to growth in consumer spending in Asia.

#### INVESTOR PROFILE

This Fund is suitable for investors who:

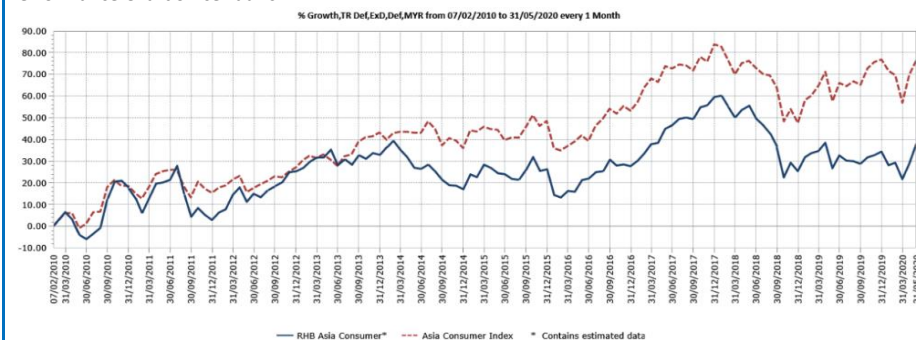
- seek investment opportunities in companies whose businesses are likely to benefit from or related to growth in consumer spending in Asia;
- seek capital appreciation rather than income; and
- are willing to accept a higher risk in their investments to obtain potentially higher returns in the long term.

#### INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the units of United Asia Consumer 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	7.20	6.71	3.94	2.67
Benchmark	3.93	4.06	0.44	-0.18

	1 Year	3 Years	5 Years	Since Launch
Fund	8.86	-4.72	10.94	38.05
Benchmark	12.01	1.56	22.21	76.47

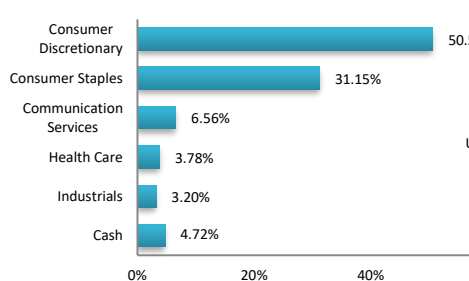
##### Calendar Year Performance (%)\*

	2019	2018	2017	2016	2015
Fund	7.17	-21.33	24.89	1.15	7.86
Benchmark	19.80	-19.72	19.95	3.21	9.17

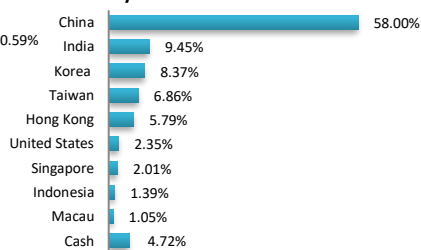
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



##### Top Holdings (%)\*

ALIBABA GROUP HOLDING LTD	9.27
JD.COM INC	9.10
MEITUAN DIANPING	6.82
HINDUSTAN UNILEVER LTD	6.64
TENCENT HOLDINGS LTD	6.56

\*As percentage of NAV

\*Source: UOBAM, 31 May 2020. Exposure in United Asia Consumer Fund - 97.68%

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.4973	0.5009	0.6451
Low	0.4476	0.4085	0.4085

Source: Lipper IM

##### Historical Distributions (Net)

	Distribution (sen)	Yield (%)
25 Jul 2019	1.6000	3.26
20 Jul 2018	-	-
20 Jul 2017	5.2000	9.56
31 Jul 2016	-	-
31 Jul 2015	-	-

Source: RHB Asset Management Sdn. Bhd.

## RHB ASIA CONSUMER FUND

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### MANAGER'S COMMENTS

#### MARKET OUTLOOK AND STRATEGY

The near-term outlook for Asia economies is mixed. Within Asia, the growing dispersion of performance among markets is likely to continue. North Asia equities market had proven to be more resilient compared to ASEAN and India, thanks to a more successful containment of Covid-19 outbreak, domestic activity support, as well as monetary and fiscal policy flexibility. However, North Asia still faces export headwinds, while the rest of Asia's fight against Covid-19 remains on-going, even as lockdown restrictions are eased.

Resumption in economic activities suggests a modest rebound in growth is underway for 2H 2020. However, the path to normalization will be gradual and uneven among countries. Resurfacing US/China trade tension could also weigh on already weak global trade, and remains a key downside risk for Asian economies. Positive clinical trials for a vaccine, continued monetary and fiscal stimulus, and an absence of a second wave of Covid-19 might help turn the tide in favour of more positive corporate earnings outlook towards the year-end.

The Target Fund Manager benefitted from their overweight position in North Asia over ASEAN and India, as the former has reopened their economies and is ahead in the recovery path. The Target Fund Manager maintains their overweight stance on the China market. Selected areas of consumption and property sales had showed signs of a strong recovery, and the country has a large domestic market to cushion the fall in external demand. Mainland China also has significant policy ammunition to tackle future crises, having positive real interest rates, strong reserves and only a modest fiscal deficit. In the month of May, the Target Fund Manager saw the re-rating of many major e-commerce players which had done well during the pandemic and is expected to continue to do well in the near future even as the economy returns to a new normal.

Taiwan, where the Target Fund Manager is overweight as well, has remained resilient. There the Target Fund Manager sees the same trends playing out – leading e-commerce players doing well during the pandemic, gaining market share from brick and mortar operators. There are some exceptions of course to the rule but they are far and few in between.

Hong Kong remains an underweight. The economy is in deep recession given the double whammy of social unrest and plunge in mainland tourism. The implementation of China's security bill on Hong Kong and the subsequent removal of US special trading status adds further woes to Hong Kong's situation. The Target Fund Manager is also underweight India given lofty valuations and additional headwinds from extended nationwide lockdown. Fiscal stimulus tilted towards rural spending is likely to cap economic recovery given the lower multiplier effect.

For the ASEAN region, the Target Fund Manager remains relatively cautious in the month of May. Consumer companies are still suffering from the lockdowns in the past few months. However, going forward, there might be a case to tactically overweight ASEAN in the short run, given their very depressed valuations currently and as investors start looking forward to the opening up of their economies soon.

Key downside risks to the Target Fund Manager's continued constructive stance on Asia includes sluggish external demand due to uncertainty about US/China trade relationship and/or prolonged economic recovery due to intermittent social distancing measures.

#### DISCLAIMER:

Based on the fund's portfolio returns as at 10 May 2020, the Volatility Factor (VF) for this fund is 13.0 and is classified as "High". (source: Lipper) "High" includes funds with VF that are above 12.2 but not 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 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 for the Fund are management risk and foreign investment risks such as country risk and currency risk and the specific risks of the Target Fund are market risk in Asian (excluding Japan) markets, foreign exchange risk, political risk, derivatives risk, liquidity risk, small capitalisation companies risk, single sector and regional risk, counterparty risk, financial institution risk, equity risk, broker risk and 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.

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