

### RHB ASIAN INCOME FUND - SGD

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

#### INVESTOR PROFILE

This Fund is suitable for:

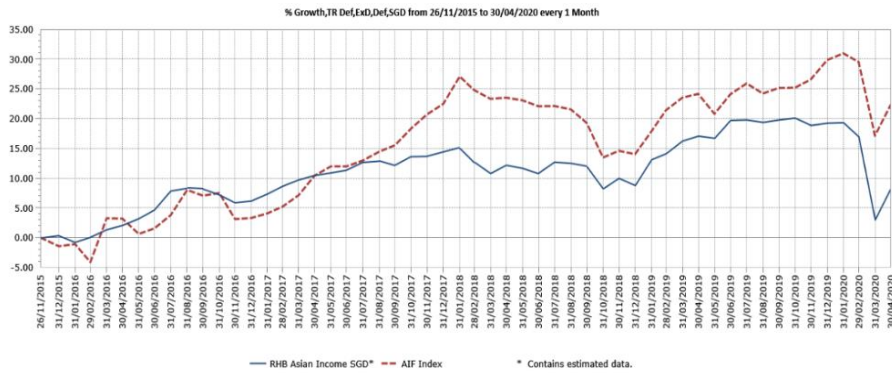
- 'Sophisticated Investor(s)' as defined in the Information Memorandum.

#### 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.

#### FUND PERFORMANCE ANALYSIS

##### Performance Chart Since Launch\*



##### Cumulative Performance (%)\*

	1 Month	3 Months	6 Months	YTD
Fund	5.11	-9.24	-9.82	-9.18
Benchmark	4.45	-6.58	-2.28	-5.77

	1 Year	3 Years	Since Launch
Fund	-7.52	-1.98	8.29
Benchmark	-1.46	10.84	22.34

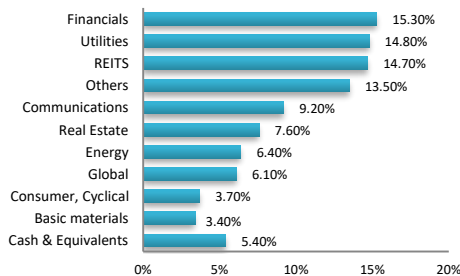
##### Calendar Year Performance (%)\*

	2019	2018	2017	2016
Fund	9.60	-4.88	7.70	5.77
Benchmark	13.88	-6.92	18.59	4.81

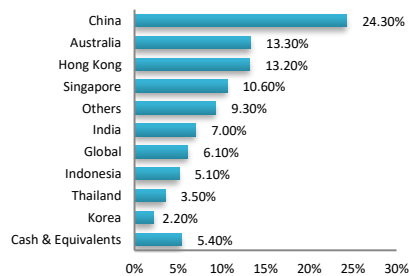
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



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

HK ELECTRIC INVESTMENTS	2.70
AUSNET SERVICES LTD	2.10
POWER ASSETS HOLDINGS LTD	2.00
SINGAPORE TELECOMMUNICATIONS LTD	1.80
POWER GRID CORPORATION OF INDIA LTD	1.70

\*As percentage of NAV

\*Source: Schroder, 30 April 2020. Exposure in Schroder Asian Income - 97.24%

#### FUND STATISTICS

##### Historical NAV (SGD)

	1 Month	12 Months	Since Launch
High	0.9438	1.0902	1.1023
Low	0.8846	0.8515	0.8515

Source: Lipper IM

##### Historical Distributions (Net)

	Distribution (sen)	Yield (%)
25 Feb 2020	1.0000	0.95
27 Nov 2019	1.1000	1.03
27 Aug 2019	1.1000	1.03
28 May 2019	1.0000	0.95

Source: RHB Asset Management Sdn. Bhd.

## RHB ASIAN INCOME FUND - SGD

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### MANAGER'S COMMENTS

#### MARKET OVERVIEW

Asian equities rebounded in April as fresh stimulus from major central banks and signs of stabilisation in new Covid-19 cases in the US and Europe improved sentiment. India and Indonesia outperformed on lower crude oil prices while the exporter markets of Taiwan and Thailand also recorded strong gains. By contrast, China lagged, having strongly outperformed in March. In fixed income, movements in government bond yields were more muted. The US 10-year yield was 3bps lower over the month.

#### MARKET STRATEGY AND OUTLOOK

##### Equity

The Target Fund Manager introduced a leading Korea technology name which manufactures a wide range of consumer and industrial electronic products. The Target Fund Manager's view is that the tech cycle and consumer demand could rebound once the virus situation improves from here. On a relative basis, the dividend yield of 3% to 4% and further growth in the future also looks more attractive in the zero-interest-rate environment and against the expectation of falling dividends in other sectors. The Target Fund Manager also continued adding to two material names in Australia which specialize in mining and yield an attractive payout. The expected large scale fiscal stimulus in the form of infrastructure spending should be supportive. Notwithstanding the near-term shock on commodity demand, the Target Fund Manager believes investors will start to rotate back into cyclicals to play the recovery. Elsewhere, as mentioned previously, the Target Fund Manager continues to trim financials and REITs which are more exposed to retail headwinds and dividend risks. In particular for the banking sector, short-term pressure on margin due to zero-interest rates and higher non-performing loans (NPL) provisions remain as headwinds. The Target Fund Manager maintains their preference for defensive names in the utilities and telecom sector which should provide some cushion should volatility rise again.

For equities, investors will still need more data and evidence to assess the impact on corporate earnings as companies have started reporting Q1 results. 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. With interest rates being cut dramatically to support growth, and credit risks increasing as economies enter recession, bank earnings are likely to be under pressure, both structurally and cyclically.

##### Fixed Income

As mentioned previously, the Target Fund Manager continues to deploy the cash in the underlying portfolio and look for opportunities within investment grade focusing on new issues, as well as increasing the cyclical exposures of the underlying portfolio as market sentiment stabilised. These include a Korean car manufacturer and a quasi-sovereign energy name in Malaysia. Both offers an attractive yield of 4 – 5% with strong credit profile and state support. On the other hand, continued to take profit from some the high yield exposures which have outperformed recently, such as in China property developers. The Target Fund Manager is also reducing some middle-east exposures in the underlying portfolio given the collapse in oil price and the rising geopolitical risk in the region.

Against the backdrop of volatility as markets grappled with uncertainties of Covid-19 and its impact on growth, the Target Fund Manager has been defensively positioned by favouring higher quality credit names, striking a balance between defensiveness and the ability to go offence on those securities with attractive risk/reward profiles that the Target Fund Manager believes are able to navigate the credit cycle. The Target Fund Manager continues to focus on bottom-up selection in order to avoid those names with fallen angel risk or downgrade pressure. Liquidity conditions in the corporate credit space has improved due to the unprecedented stimulus package from the Fed and global policy makers. Overall valuation in the credit market now looks fair, yet the Target Fund Manager still see pockets of opportunities by acquiring high quality names.

#### DISCLAIMER:

Based on the fund's portfolio returns as at 10 April 2020, the Volatility Factor (VF) for this fund is 8.4 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 Information Memorandum dated 5 November 2015 and its supplementary(ies) (if any) ("the Information Memorandum") before investing. The Information Memorandum 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 Information Memorandum relates will only be made on receipt of a form of application referred to in the Information Memorandum. The Fund are only offered to "sophisticated investor" as defined in the Information Memorandum. For more details, please call 1-800-88-3175 for a copy of the PHS and the Information Memorandum 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, liquidity risk and foreign investment risks such as currency risk and country risk and the specific risks of the target fund are market risk in Asia, credit risk, investment grade, below investment grade and unrated debt securities risk, risks relating to distributions, emerging markets and frontier risk and derivatives risk. These risks and other general risks are elaborated in the Information Memorandum.

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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