

RHB ASIAN REAL ESTATE FUND

This Fund aims to achieve a long term capital appreciation through investments in the real estate market.

INVESTOR PROFILE

This Fund is suitable for investors who:

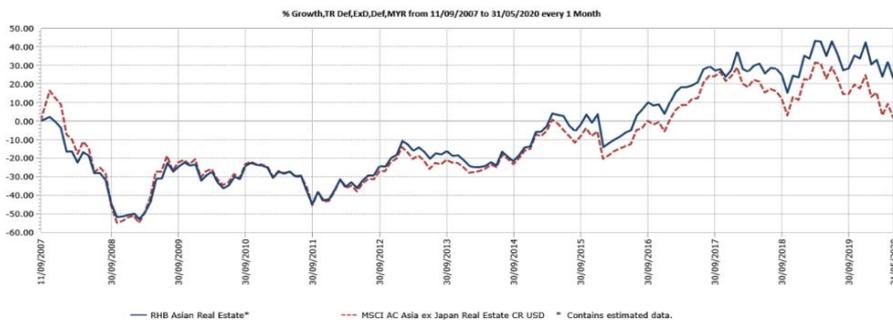
- wish to participate in the opportunities offered by the Asian real estate markets;
- are willing to accept moderate to high risk in their investments; and
- prefer capital growth rather than income over a long term period.

INVESTMENT STRATEGY

- Up to 98% of NAV (with at least 70% of NAV in equity): Investments in primarily Asian real estate securities and listed Real Estate Investment Trusts (REITs).
- 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	-6.83	-7.48	-7.99	-13.57
Benchmark	-7.02	-11.93	-13.63	-18.55

	1 Year	3 Years	5 Years	Since Launch
Fund	-8.93	3.05	19.09	23.02
Benchmark	-17.36	-9.37	3.08	1.59

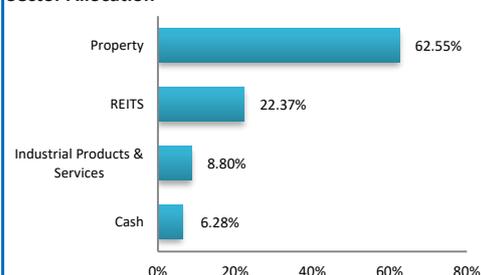
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	15.24	-3.23	22.97	0.04	20.18
Benchmark	11.96	-10.39	31.42	-0.05	11.03

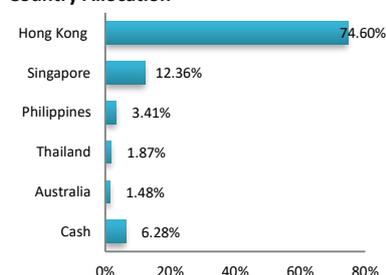
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

LINK REIT	8.53
CHINA RESOURCES LAND LTD	6.44
SUN HUNG KAI PROPERTIES LTD	6.06
CHINA OVERSEAS LAND & INVESTMENT	6.04
CK ASSET HOLDINGS LTD	5.90

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6602	0.7304	0.7377
Low	0.6066	0.5733	0.2187

Source: Lipper IM

FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	Maybank Trustees Bhd
Fund Category	Equity Fund
Fund Type	Growth Fund
Launch Date	22 August 2007
Unit NAV	RM0.6151
Fund Size (million)	RM7.00
Units In Circulation (million)	11.38
Financial Year End	31 March
MER (as at 31 Mar 2020)	2.25%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	MSCI AC Asia-ex-Japan Real Estate Index (RM)
Sales Charge	Up to 5.00% of investment amount*
Redemption Charge	None
Annual Management Fee	1.80% p.a. of NAV*
Annual Trustee Fee	0.08% p.a. of NAV, subject to a min. of RM18,000 p.a.*
Switching Fee	RM25.00 per switch*
Redemption Period	Within 10 days after receipt the request to repurchase
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.

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MANAGER'S COMMENTS

MARKET REVIEW

In China, the preliminary data of developers' May contracted sales indicate that the top-100 developers' May sales continued to see MoM growth at 21%/19% in gross/attributable terms (vs 17%/16% growth in April). On a YoY basis, sales saw double-digit growth of 12% in gross terms (attributable 8%) from 1% growth in April. YTD sales decline narrowed to 8% in gross / attributable terms for 5M20 (vs -15% in 4M20). Starting with a decent 5.1 Golden Week on more launches, sales in May for 34 listed names further picked up (+18%mom) with 14%yoy growth (Apr: 2%), resulting in narrowed 5M20 decline of -4%yoy (4M: -10%) and locked 30% of targets. The aggregated sales (Rmb653bn) is a positive surprise as it almost tied the Sep/Oct-19 level. Judging from the geographical sales, the market is decent along PRD and YRD, with ~70% sell-through rate, vs mid/low-60 in 2019. This is mainly due to a slight acceleration on price-appreciation expectations given (1) monetary easing; (2) lowering of mortgage rate; and (3) some sort of hukou relaxation, in our view. However, Western, Central and Northern China were relatively weak with <60% sell-through rate, and just like previous cycles, we expect the positive momentum will soon arrive in these areas with more cities opening-up and the removal of social distancing measures. We think this will be a new driver to sales growth in 3Q and hence we expect the overall sell-through rate in 2020 to be better than 2019, and the current growth rate is more sustainable than a short-term rally.

China released a master plan for the Hainan free port, which aims to build the province into a globally influential duty-free trading center by the middle of the century. The plan also supports the development of REIT products. Some banks in Tianjin reduced the mortgage rate for first home to LPR (4.65%) from previous LPR plus 30 bp (4.95%), while that for second homes remains unchanged at LPR plus 60 bp (5.25%). In view of the overheated property market in Shenzhen, more actions were taken to clamp down on illegal or improper sales activities. Some secondary listings with volatile asking prices were removed from agencies' online system. In a recent primary launch in Shenzhen Bay, several high-priced units with ASP over Rmb200k/sqm were removed from the sales plan. Shenzhen Baoan stipulated that all primary residential launches are required to employ lottery system so as to avoid illegal agency fees.

MARKET OUTLOOK AND STRATEGY

The robust sales during the Golden Week holiday contributed to the strong pick-up in May. The double-digit sales growth showed that China property has come close to the point of full recovery. We expect sales momentum to continue amid favourable policies and lowering mortgage rate, even though NPC did not signal any stimulus targeting real estate sector. Tier-1/2 cities should outperform, driven by better industrial development and job opportunities. Leading developers, which have more exposure to top-tier cities, better access to funding, and stronger execution should continue to deliver solid contracted sales growth and gain market share. June should be the sales peak in first half. The property sector is currently trading at an attractive valuation and we will continue to hold our exposure in this space.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 May 2020, the Volatility Factor (VF) for this fund is 16.7 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 real estate risk, foreign investment risks such as country risk and currency risk and equities investment risks such as market risk and particular security 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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