

### 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:

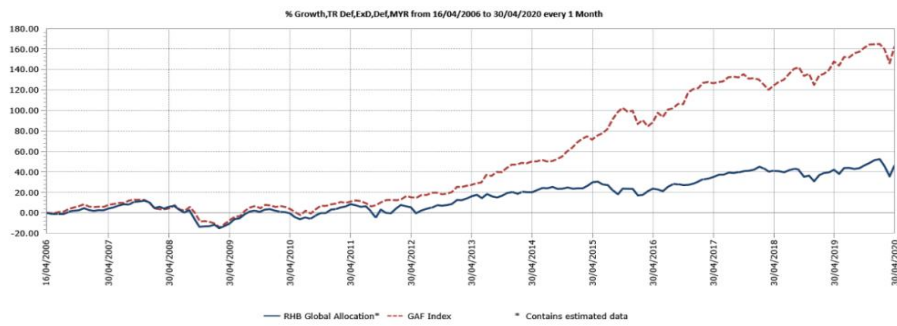
- a well-diversified investment across global markets;
- a flexible and dynamic asset allocation; and
- to invest in an established and proven foreign fund managed by a renowned international fund manager.

#### 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
<b>Fund</b>	<b>8.04</b>	<b>-3.89</b>	<b>0.14</b>	<b>-3.22</b>
Benchmark	6.63	-0.87	0.48	-0.76

	1 Year	3 Years	5 Years	Since Launch
<b>Fund</b>	<b>3.11</b>	<b>8.58</b>	<b>13.05</b>	<b>46.85</b>
Benchmark	5.98	15.92	53.30	162.62

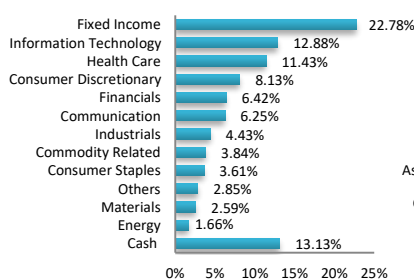
##### Calendar Year Performance (%)\*

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

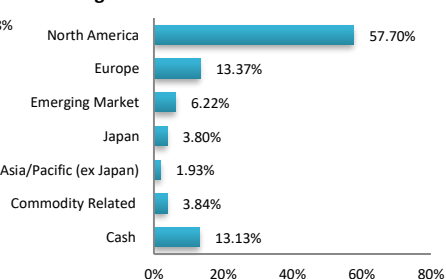
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Region Allocation\*



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

TREASURY NOTE 1.75 (15/11/2029)	2.70
SPDR GOLD SHARES	2.10
MICROSOFT CORP	1.97
AMAZON COM INC	1.92
TREASURY(CPI) NOTE 0.5 (15/04/2024)	1.83

\*As percentage of NAV

\*Source: Black Rock, 30 April 2020. Exposure in BlackRock Global Allocation Fund - 97.39%

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6579	0.6988	0.6988
Low	0.5937	0.5607	0.3903

Source: Lipper IM

#### FUND DETAILS

<b>Manager</b>	RHB Asset Management Sdn. Bhd.
<b>Trustee</b>	HSBC (Malaysia) Trustee Bhd
<b>Fund Category</b>	Feeder Fund
<b>Fund Type</b>	Growth Fund
<b>Launch Date</b>	27 March 2006
<b>Unit NAV</b>	RM0.6530
<b>Fund Size (million)</b>	RM21.13
<b>Units In Circulation (million)</b>	32.36
<b>Financial Year End</b>	31 August
<b>MER (as at 31 Aug 2019)</b>	0.43%
<b>Min. Initial Investment</b>	RM1,000.00
<b>Min. Additional Investment</b>	RM100.00
<b>Benchmark</b>	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.

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### MANAGER'S COMMENTS

#### TARGET FUND'S MAIN PORTFOLIO CHANGES

- From a financial perspective, the biggest unknown is the near-term trajectory of the global economy. The magnitude of the economic contraction will likely exceed the worst of the financial crisis. Estimates suggest a 20-30% contraction in Q2'20. What is less clear is the outlook for 2H'20. That will be determined by three factors: the path of the virus, duration and severity of the lockdown, and the efficacy of the stimulus. In thinking through the implications of the contraction, one must also consider two offsetting considerations: risky assets have already experienced one of the swiftest adjustments in history and the government response is equally unprecedented.
- Fed policy has taken away a great deal of the liquidity risk the Target Fund Manager saw in March and helped backstop credit markets. These efforts collectively have supported areas like money markets and reduced some of the left-tail risk associated with worst case outcomes. Financial markets have moved significantly in April in response to these efforts, with the S&P 500 posting its strongest market advance since 1987. For markets to move higher from here, the Target Fund Manager likely need to see an improvement in fundamentals and greater visibility into the lifting of the lockdowns across the broader economy. Notably, the Target Fund Manager don't anticipate a "V-shaped" recovery and would not expect the traditional playbook of holding deep value stocks to work particularly well in this recovery phase. In his recent blog, Russ Koesterich offers four compelling reasons on why the strength in momentum oriented stocks may continue in the current environment.
- Despite ongoing risks, including rising US/China tensions, the Target Fund Manager maintains a benchmark weight in equities due to the historic level of stimulus being provided, the gradual resumption of economic activity, the fact that several secular growth themes, such as cloud computing and internet retail, remain robust despite COVID-19, and the substantial amount of cash that remains on the sidelines.
- From a sector perspective, the Target Fund Manager continues to emphasize secular growth themes across high quality equities in areas such as tech, healthcare, communication services and consumer discretionary.
- The Target Fund Manager is cautious on deep value-oriented sectors, notably financials, energy and industrials, given both the low likelihood of a "V"-shaped recovery and the fact that many of these businesses, particularly energy, face long-term secular challenges.
- The Target Fund Manager increased exposure to select biopharma companies that were attractively valued relative to other defensive sectors with similar levels of sustainable growth characteristics. The Target Fund Manager continues to emphasize companies that they believe are well positioned from an R&D efficiency standpoint to drive incremental levels of free cash flow growth over a multi-year holding period and offer compelling dividend yields.
- The Target Fund Manager continues to believe that the U.S. consumer will be resilient as the economy emerges from the "lockdown" phase they have experienced in the past few months given the relative strength of the consumer balance sheet entering this downturn and the expediency and magnitude of the support provided by the federal government to bridge employees facing temporary furlough. That said, the Target Fund Manager took profit on select U.S. retailers who were relative beneficiaries of the current consumer environment and where they felt the share prices had gotten ahead of the fundamentals.
- Underlying portfolio duration increased in April from 2.1 to 2.4 years as of month-end, with the majority of our position sourced from the U.S. and held as a partial hedge against equity volatility. The Target Fund Manager continues to prefer longer-dated U.S. Treasuries, notably the 10- and 30-year.
- The Target Fund Manager continues to manage our yield curve exposure to maximize the hedging properties of the book and maintain exposure to the long end of the curve. As the Federal Reserve has reduced policy rates to historic lows, the Target Fund Manager feels that opportunities at the extreme long end of the curve have more potential to provide portfolio diversification than shorter-dated maturities.
- 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. With equity markets rallying during the month of April, the Target Fund Manager selectively added to U.S. investment grade and high yield credit, 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 maintains exposure to 5-year U.S. TIPS based on the belief that current inflation expectations of ~0.7% are too low and represent a technical divergence relative to 10-year breakeven rate of ~1.1%.
- The Target Fund Manager maintained our exposure to gold and gold-related securities. The Target Fund Manager believes gold can provide resiliency in the underlying 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 hold exposure to cash in the fund as a diversifying asset class to help manage risk in the underlying portfolio and as a source of funding as they look to opportunistically deploy capital. In addition to U.S. Treasury bills, the Target Fund Manager also has a position in short term bills in Japan to get exposure to the Japanese yen. Increased overweight to the U.S. Dollar (USD), largely at the expense of a reduction of exposure to the Canadian dollar (CAD) and the Chinese yuan. In addition to the USD having historically proven to be a reliable hedge during periods of market volatility, the overweight reflects currencies they are underweight, such as the euro, Australian dollar, and CAD.

#### TARGET FUND'S POSITIONING

- Asset allocation (as % of net assets\*): Equity: 60%, fixed income: 23%, precious metals: 4%, cash equivalents: 13%
  - Over the long-term, the Target Fund Manager remains constructive on equities. Within the asset class, exposure focused on high quality companies that exhibit earnings consistency and are positioned as beneficiaries of secular themes. Within fixed income, the Target Fund Manager has added to credit exposure (both investment grade and high yield) as they believe could be in a period of rangebound equity market volatility and prefer to add carry while investing alongside the Fed. To balance exposure to risk assets, the Target Fund Manager hold 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 help mitigate risk in the underlying 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 April 2020, the Volatility Factor (VF) for this fund is 8.1 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.