

### 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:

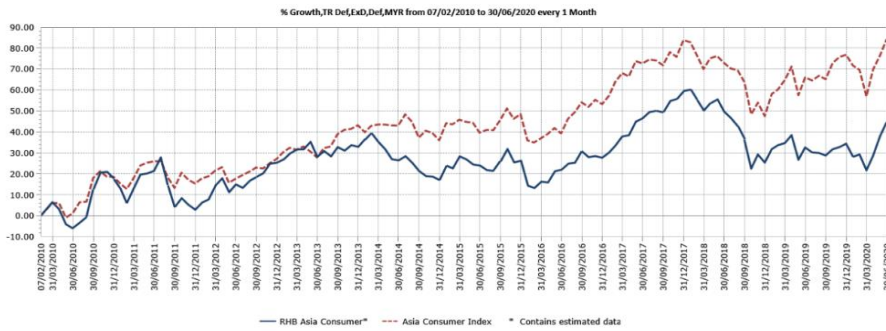
- seek investment opportunities in companies whose businesses are likely to benefit from or related to growth in consumer spending in Asia;
- seek capital appreciation rather than income; and
- are willing to accept a higher risk in their investments to obtain potentially higher returns in the long term.

#### 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	4.88	18.88	7.68	7.68
Benchmark	4.41	17.42	4.22	4.22

	1 Year	3 Years	5 Years	Since Launch
Fund	9.12	-1.17	16.77	44.78
Benchmark	11.01	6.71	31.96	84.26

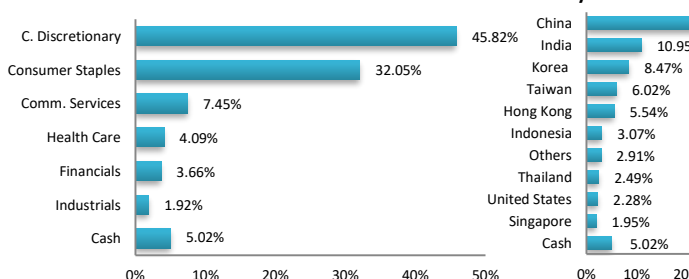
##### Calendar Year Performance (%)\*

	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

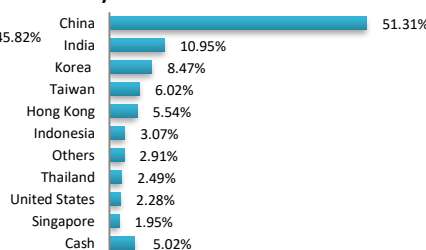
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



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

JD.COM INC	9.42
ALIBABA GROUP HOLDING LTD	9.01
TENCENT HOLDINGS LTD	7.45
HINDUSTAN UNILEVER LTD	6.59
YIHAI INTERNATIONAL HOLDING LTD	5.40

\*As percentage of NAV

\*Source: UOBAM, 30 June 2020. Exposure in United Asia Consumer Fund - 97.29%

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5242	0.5242	0.6451
Low	0.4959	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 Asset Management Sdn Bhd (174588-x)

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## RHB ASIA CONSUMER FUND

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### MANAGER'S COMMENTS

#### MARKET OUTLOOK AND STRATEGY

For the month of June, the Fund saw positive contributions from China, Taiwan and South Korea whilst the detractors mainly came from Hong Kong and Asean. 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 have proven to be more resilient compared to ASEAN and India, thanks to a more successful containment of Covid-19 outbreak, domestic activity recovery, 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 uneven among countries, depending on their financial resources and progress in overcoming the pandemic. Positive clinical trials for Covid-19 treatments and vaccines, continued monetary and fiscal stimulus, and an absence of a strong second wave of infections might help turn the tide in favour of more positive corporate earnings outlook towards the year-end.

The Target Fund Manager continues to position favourably towards 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. The Target Fund Manager is already seeing solid evidence of recovery from strong PMI numbers. Selected areas of consumption and property sales are also doing well. The country has a large domestic market to cushion a 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 particular, the Target Fund Manager is positive on China 'A' shares, which are sensitive to China easing policy and enjoy structure tailwinds such as index representation increase over several years and capital market reforms.

The Target Fund Manager is also turning more positive on Korea and Taiwan at the margin. The Target Fund Manager is seeing good recovery in output and pricing in selected areas of technology such as DRAMs, semiconductor chips, high end lens and camera modules. However, the Target Fund Manager is mindful of rising US-China tensions and with US efforts to contain Huawei that could disrupt supply chains. Nonetheless the Target Fund Manager believes the US-China phase 1 deal will hold for now in the run up to US elections. Thus, the US will not enforce their threat to cut off Huawei completely if China fulfills their terms in the deal.

Hong Kong remains an underweight. The economy remains in 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. Nonetheless, there is a silver lining in that the HK security bill could finally suppress the protests and allow Hong Kong's economy to recover.

The Target Fund Manager is also underweight India given lofty valuations and 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 is overweight Singapore as the slowdown in economic growth has largely been discounted. The increased stimulus and fiscal flexibility of the 4th stimulus package would limit further downside risks. The forward dividend yield of 4.5% as well as stability of the currency relative to peers would provide additional support in the ongoing uncertain environment.

The Target Fund Manager is underweight in Malaysia where we do not find any attractively priced consumer opportunity. The Target Fund Manager is neutral in Indonesia as valuations remain attractive with fiscal and monetary policies in place set to support price recovery. The Target Fund Manager is underweight in Thailand as valuations remain lofty against a backdrop of deteriorating earnings outlook. The Target Fund Manager is slightly overweight in Philippines as some stocks are attractively priced but they worry that the pandemic situation might worsen in the next few months thereby impacting consumer spending again.

Key downside risks to the Target Fund Manager's continued constructive stance on Asia includes sluggish external demand due to a large second wave of the pandemic in the US and other parts of the World leading to a rollback in economic recovery.

#### DISCLAIMER:

Based on the fund's portfolio returns as at 10 June 2020, the Volatility Factor (VF) for this fund is 13.4 and is classified as "High". (source: Lipper) "High" includes funds with VF that are above 12.8 but not more than 15.2 (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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