

RHB CHINA BOND FUND - GBP HEDGED CLASS

The Fund aims to maximise total return by investing in one (1) target fund.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the RMB denominated class I6 units of the Target Fund.
- The balance of the NAV: Investments in liquid assets including money market instruments, Deposits and collective investment schemes investing in money market instruments and Deposits.

INVESTOR PROFILE

This Fund is suitable for:
• ‘Sophisticated Investor(s)’ as defined in the Information Memorandum.

FUND PERFORMANCE ANALYSIS

There is no performance record as the Fund launched less than 1 year.

FUND DETAILS

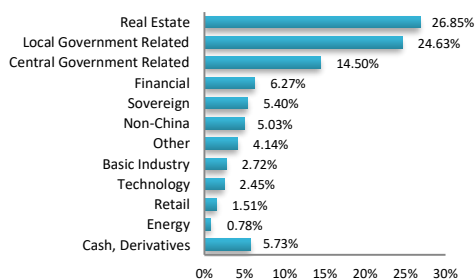
Manager	RHB Asset Management Sdn. Bhd.
Trustee	CIMB Commerce Trustee Bhd
Fund Category	Wholesale Feeder
Fund Type	Growth Fund
Launch Date	23 October 2019
Base Currency	RMB
Unit NAV	GBP1.0341
Fund Size (million)	GBP0.38
Units In Circulation (million)	0.37
Financial Year End	31 August
MER	Not available
Min. Initial Investment	GBP1,000.00
Min. Additional Investment	GBP500.00
Benchmark	1-year China Household Savings Deposits Rate Index
Sales Charge	Up to 3.00% of investment amount*
Redemption Charge	None
Annual Management Fee	Up to 1.20% p.a. of NAV*
Annual Trustee Fee	Up to 0.04% p.a. of NAV*
Switching Fee	GBP 10.00 per switch*
Distribution Policy	Incidental

*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.

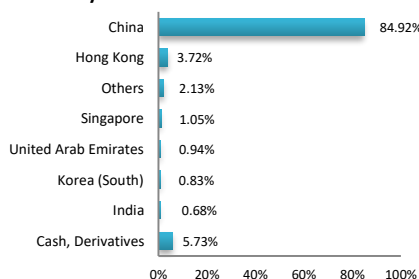
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

CHINA DEVELOPMENT BANK 4.04 (06/07/2028)	1.71
AGRICULTURAL DEVELOPMENT BANK OF C 3.95 (26/02/2031)	1.41
COASTAL EMERALD LTD RegS 4.3 (31/12/2049)	1.34
YINCHUAN TONGLIAN CAPITAL INVESTME RegS 3.5 (27/07/2020)	1.21
CHENGDU TIANFU NEW AREA INVESTMENT RegS 4.65 (07/05/2024)	1.18

*As percentage of NAV

*Source: Black Rock, 31 May 2020. Exposure in BlackRock Global Funds - China Bond Fund - 96.41%

FUND STATISTICS

Historical NAV (GBP)

	1 Month	12 Months	Since Launch
High	1.0476	N/A	1.0576
Low	1.0260	N/A	0.9757

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
28 May 2020	1.0000	0.97

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS
TARGET FUND'S PORTFOLIO ACTIVITY

The Target Fund Manager continues to see better value in offshore credit but maintain a 25% exposure onshore as a hedge against rising tensions moving into the rest of the year. The Target Fund Manager expects to reallocate capital onshore when tensions escalate through higher rated IG names which are the likely beneficiaries if monetary policy remain accommodative. The Target Fund Manager's asset allocation towards onshore bonds was key to the Target Fund's success back in 2018 amidst rising trade tensions then.

This has allowed us to provide strong risk adjusted returns for the Target Fund Manager's investors. To capitalize on the market dislocations in the USD Chinese credit market, the Target Fund Manager has reallocated capital to USD Chinese Credit with a 75% allocation to USD Chinese Credit.

TARGET FUND'S POSITIONING

The portfolio remains income-focused with a yield of 7.7% with an average investment grade rating. The Target Fund Manager sees portfolio resilience and credit quality increasing in importance for investments in the coming months. The Target Fund Manager's portfolio has been resilient, exhibiting low drawdowns amidst the volatility associated with the coronavirus given the diversification between the onshore and offshore Chinese bond markets. Expectations of (and room for more) policy easing in China continues to be tailwind for Chinese fixed income markets.

At present, the Target Fund Manager still prefer offshore credit with valuations are more attractive. Offshore Chinese credit has a yield pick-up of 2-3% in IG and 4-6% in HY as compare to onshore Chinese credit

Within HY:

The Target Fund Manager is positive on offshore China HY property. The underlying fundamentals of the sector have been improving since the initial lockdown implemented by the Chinese government. China property (the largest sector in Asian HY) is seeing close to 80-90% of construction activities resuming and 90-100% of sales offices reopening outside of Hubei. Most companies under the Target Fund Manager's coverage have pre-funded their USD debt obligations in Jan-Feb 2020 which will help lower refinancing risk. Most importantly, the onshore bond market is functioning for these companies to refinance onshore bonds and the Target Fund Manager has seen yields of new issuances onshore at fair levels.

The Target Fund Manager is selective on onshore short-dated industrial names with strong fundamentals for diversification.

Within IG:

The Target Fund Manager is positive on China state owned enterprises (SOEs). The ramping up of fiscal stimulus onshore means infrastructure spending to boost the economy, which should be beneficial for these companies. The Target Fund Manager prefers offshore names given valuations look attractive after the recent selloff. Besides, SOEs are generally price sensitive. They are more likely to go onshore for refinancing given the lower funding costs, and therefore provide technical support to the USD credit market given lack of supply.

DISCLAIMER:

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 15 May 2019 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, country risk and currency risk and the specific risks of the target fund are fixed income transferable securities risk, emerging market risk, restrictions on foreign investments risk, portfolio concentration risk, bond downgrade risk, sovereign debt risk, distressed securities risk, contingent convertible bond risk, credit risk of issuers, liquidity risk, currency risk, derivatives risk and securities lending 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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