RHB Asset Management

FUND FACTSHEET – AUGUST 2020

All data expressed as at 31 July 2020 unless otherwise stated

3-year Fund Volatility 12.8 moderate Lipper Analytics 14 JUL 2020

RHB ASIA PACIFIC FUND

This Fund aims to achieve long term capital appreciation through investments in securities of companies listed or traded in emerging and developed markets.

INVESTOR PROFILE

This Fund is suitable for investors who:

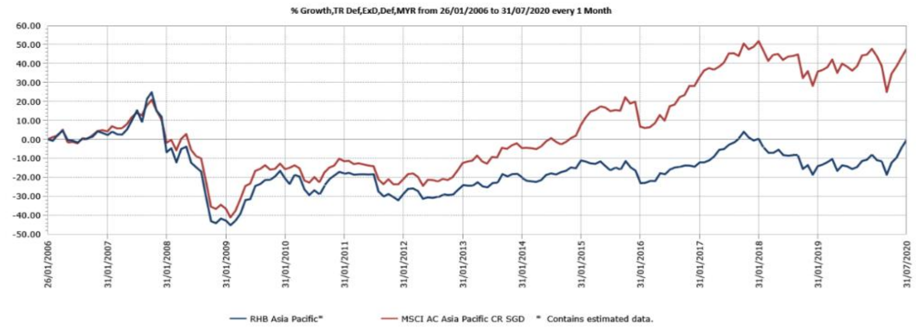
- wish to participate in the upside of the Asia Pacific markets;
- are willing to accept moderate to high risk in their investments;
- prefer capital growth rather than income over a long term period.

INVESTMENT STRATEGY

- Up to 98% of NAV: Investments in securities of and securities relating to companies that have high growth potential.
- 2% - 10% of NAV: Investments in liquid assets including bonds, 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	**4.36**	**13.56**	**11.92**	**8.35**
Benchmark	3.20	9.72	2.75	0.00

	1 Year	3 Years	5 Years	Since Launch
Fund	**16.09**	**2.76**	**19.15**	**-0.14**
Benchmark	6.77	1.68	28.50	47.69

Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	**12.94**	**-17.85**	**16.05**	**2.61**	**-1.76**
Benchmark	15.15	-13.81	16.11	6.92	17.54

Source: Lipper IM

FUND DETAILS

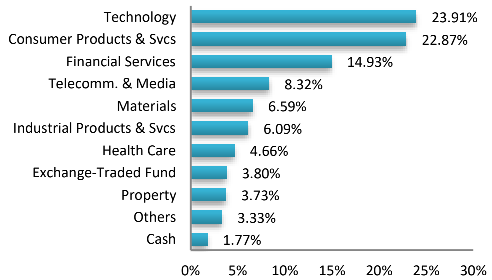
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Equity Fund
Fund Type	Growth Fund
Launch Date	06 January 2006
Unit NAV	RM0.3802
Fund Size (million)	RM4.49
Units In Circulation (million)	11.81
Financial Year End	31 December
MER (as at 31 Dec 2019)	3.27%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	MSCI AC Asia Pacific Index (RM)
Sales Charge	Up to 5.26% of investment amount*
Redemption Charge	None
Annual Management Fee	1.50% p.a. of NAV*
Annual Trustee Fee	Up to 0.07% p.a. of NAV*
Switching Fee	RM25.00 per switch*
Redemption Period	Within 10 days after receipt the request to repurchase
Distribution Policy	Annually, if any and will be reinvested

**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.*

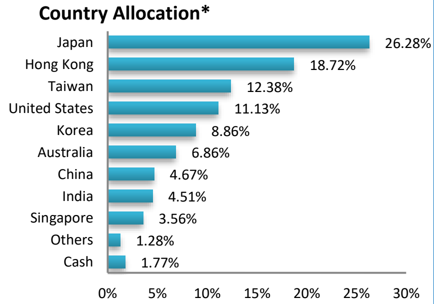
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

ALIBABA GROUP HOLDING LTD	6.06
TAIWAN SEMICONDUCTOR MANUFACTURING	5.55
TENCENT HOLDINGS LTD	4.56
TOPIX EXCHANGE TRADED FUND	3.80
SAMSUNG ELECTRONICS CO LTD	3.27

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.3876	0.3876	0.5975
Low	0.3643	0.2869	0.1994

Source: Lipper IM

3-year Fund Volatility
12.8
moderate
Lipper Analytics 14 JUL 2020

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MANAGER'S COMMENTS

MARKET REVIEW

Asia Pacific markets as measured by the MSCI Asia Pacific Index continued its upward trajectory in July (+4.3%), bringing the year to date loss to 3.5%. Market gains was led by positive clinical evidence of covid-19 vaccine efficacy and positive earnings outlook reports by technology companies. The positives continues to offset lingering concerns of second-wave of Covid-19 infections. Taiwan (+14.9%) was the best performing market, helped by buoyant IT demand due to 5G migration and work-from-home thematic. India (+10.1%), China (+8.9%), Malaysia (+8.2%) and Korea (+7.2%) outperformed. On the other hand, Asean countries Singapore (-0.2%), Thailand (-2.9%), Philippines (-2.9%), and Indonesia (+4.3%) underperformed. Gold gained 10.9% to close at $1976/oz as investors bought to the asset as a hedge to growth and geopolitical tensions between US and China.

Japan (-1.6%) as rising Covid-19 infections in Tokyo numbers may lead to a declaration of emergency. The Bank of Japan kept its key short-term interest rate at -0.1% and maintained the target for the 10-year Japanese government bond yield at around 0% during its July meeting by an 8-1 vote. Governor Kuroda sounded a bit more optimistic, noting Japan was past the worst, but still warned that the recovery process will be slow. Updated quarterly outlook report forecasts underscore the challenging path ahead. GDP is now expected to be at -4.7% for FY2020, 3.3% in FY2021, and 1.5% in FY2022. Core CPI (ex-fresh food) is forecasted at -0.5% in FY2020, 0.3% in FY2021, and 0.7% in FY2022, all well below the 2% target and suggests no tightening until FY2023 at the earliest. We believe the bank is on hold for now to see how past monetary and fiscal stimulus work their way through the economy.

China's domestic A-shares have led the rally, with CSI300 rising 14%. Market gains are supported by strong domestic mutual fund issuance and financial market reforms. Domestically, China reported mixed official July PMI readings. Manufacturing rose to 51.1 vs. 50.8 expected and 50.9 in June, while non-manufacturing fell to 54.2 vs. 54.5 expected and 54.4 in June. This pushed the composite reading down a tick to 54.1. New export orders rose for the third consecutive month, which suggests a pickup in external demand. Government stimulus and construction activity continue to support the economy. Tensions with the US are likely to remain high after it ordered the closure of the US consulate in Chengdu. Hong Kong (-0.8%) on the back of rising infections may force Hong Kong to delay its Legislative Council elections. The government tightened the social distancing measures such as limiting group gatherings to 2 persons. President Trump issues an order to end Hong Kong's special status with the US in response to the National Security Law imposed.

Korea saw improvements in economic indicators. Industrial production recorded a sharper than expected rebound in June while local business and consumer sentiment improved. For the first time since the pandemic, foreign investors net bought KRW 1 trillion in the market. Gains were supported by Materials (+15.2%) on burgeoning demand for electric vehicles and Consumer Discretionary (+14.4%) and Communication Services (11.5%) sectors. Taiwan was the best performing market in Asia due to strength in Technology sector. Companies reported stronger than expected 2Q results, held by broad-based demand for smartphone (5G migration) and work-from-home demand (gaming consoles, cloud/datacentre, Chromebook). TSMC surged 35.9% in local currency terms after chipmaker Intel announced delays for its 7nm next-generation chips.

Indian equities gained despite recording a daily high of more than 57,000 new covid-19 cases at the end of July. Gains were led by Reliance Industries and Indian IT services. Reliance Industries (+22.3%) after it as it signed agreement to sell a 7.75% stake of Jio Platforms to Google. On the other hand, IT Services announced resilient earnings on the back of improving margins. Australia (+4.5%) as gains were capped by resurging Covid-19 cases. The State of Victoria re-impose strict 6 weeks lock-down to tackle the second wave of infections. The AUD rose 2.2c to $0.710, with gains in iron ore prices and improving Chinese growth outlook. In terms of sectors, Materials and Information Technology sectors outperformed while Energy and Healthcare underperformed.

ASEAN countries lagged North Asia peers amidst relatively more quiet news-flow and high Covid-19 infections. The Thai Baht and Indonesian Rupiah depreciated 0.8% and 2.4% respectively against the US dollar.

Singapore held its General Election on 10 July 2020 with the incumbent party, the PAP, holding onto its supermajority seats at 61.2%. This election's showing was weaker than prior year's elections, as the opposition won 10 parliamentary seats and a reduced majority vote compared to prior year of 69.9%. Singapore's 2Q20 GDP came in at -12.6% y/y, following a -0.3%y/y contraction in the previous quarter. This was the sharpest contraction ever recorded and pushes Singapore into a technical recession. On corporate news, the Monetary Authority of Singapore has called on Singapore banks to cap their dividends per share for FY20 at 60% of FY19 DPS, and offered shareholders the option to receive dividends to be paid for FY20 in scrip in lieu of cash. REITS reported their earnings with a clear trend showing the resilience of industrials, data center and logistics over the office and retail sectors.

The Malaysian Prime Minister announced measures to provide a targeted extension of the moratorium and repayment flexibility to individuals and SMEs who continue to be affected by COVID-19. The existing 6 month blanket moratorium is set to end on 30th September 2020. With the resurfacing of COVID19 cases abroad, the healthcare sector namely gloves companies continue to buoy the Malaysian market and positive guidance from regional IT firms also saw Malaysian IT firms benefitting.

Philippines central bank surprised markets with a 50bps policy rate cut, primarily driven by its expectation of a more protracted recovery. President Duterte decided to maintain the General Community Quarantine (GCQ) status of Metro Manila as the pace of new COVID cases more than doubled in July from just under 650/day in June to an about 1,650 new cases/day in July. The Department of Labour and Employment estimated, one month ago, the number of displaced OFWs at 345,000 which is equivalent to 0.8% of the labour force. Around 100,000 have returned to the Philippines with another 50,000 expected to return in the coming months.

Bank Indonesia has cut the policy rate by 25bps to 4.00% in the July policy meeting. However, the Governor mentioned that support for the economy going forward will be more effective through the quantity channel rather than the price (interest rate) channel.

In Thailand, domestic demand improved in June, as the reopening of the economy gained pace. Tourism stayed in hibernation and exports plunged to a decade-low. Trips to retail and recreation venues are normalizing to near pre-pandemic levels as of end July, with the full reopening of the economy from 1 July.

MARKET OUTLOOK AND STRATEGY

We maintain positive on Asia ex Japan on prospects of growth uptick and within which, we favour China. Amid "First in First out", China is at the forefront of restarting the economy and more policy space to revive activity, but we will remain cautious amid the recent escalation of US-China tensions.

On a portfolio basis, we will continue to prefer sectoral demand shifts that have resulted from the crisis. Broadly speaking, e-commerce and technology businesses should do better. Such companies are found in North Asian markets of China, Korea and Taiwan and have ample policy supports. We are cautious on India as it faces challenges with virus containment and limited fiscal space. The key role of tourism and remittances will also hold back performance in South East Asia.