RHB Asset Management

FUND FACTSHEET – JULY 2020
All data expressed as at 30 June 2020 unless otherwise stated

3-year Fund Volatility 9.5 moderate Lipper Analytics 10 JUN 2020

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

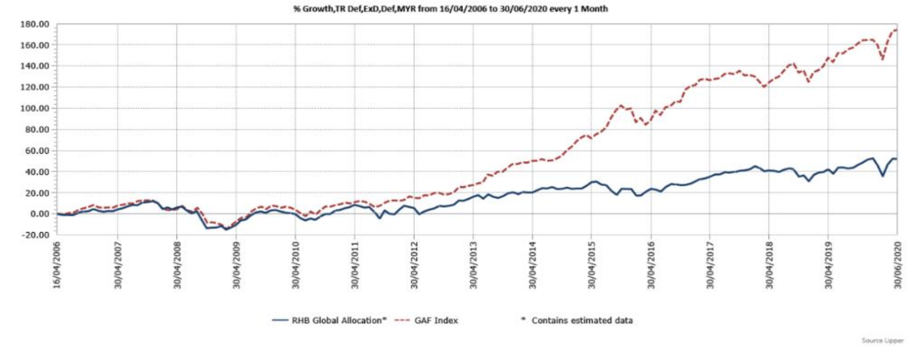
This Fund is suitable for Investors who:
- a well-diversified investment across global markets;
- a flexible and dynamic asset allocation; and
- to invest in an established and proven foreign fund managed by a renowned international fund manager.

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
Fund	**-0.12**	**12.03**	**0.36**	**0.36**
Benchmark	0.49	11.35	3.63	3.63

	1 Year	3 Years	5 Years	Since Launch
Fund	**5.71**	**10.76**	**19.27**	**52.27**
Benchmark	8.71	20.03	54.55	174.23

Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	**15.71**	**-8.00**	**10.94**	**3.83**	**0.09**
Benchmark	17.59	-2.78	4.78	10.92	21.71

Source: Lipper IM

FUND DETAILS

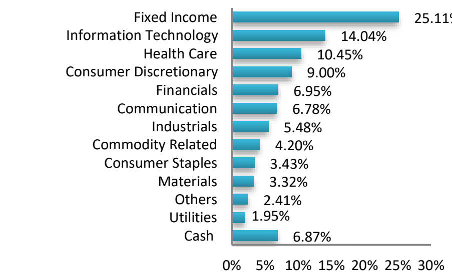
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Feeder Fund
Fund Type	Growth Fund
Launch Date	27 March 2006
Unit NAV	RM0.6771
Fund Size (million)	RM22.12
Units In Circulation (million)	32.66
Financial Year End	31 August
MER (as at 31 Aug 2019)	0.43%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	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.*

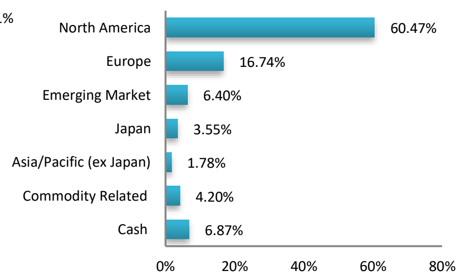
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Region Allocation*



Top Holdings (%)*

TREASURY NOTE 1.75 (15/11/2029)	2.58
MICROSOFT CORP	2.22
APPLE INC	2.13
SPDR GOLD SHARES	2.10
AMAZON COM INC	2.05

**As percentage of NAV*

**Source: Black Rock, 30 June 2020. Exposure in BlackRock Global Allocation Fund - 96.68%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6904	0.6988	0.6988
Low	0.6670	0.5607	0.3903

Source: Lipper IM

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.

MANAGER'S COMMENTS

TARGET FUND'S MAIN PORTFOLIO CHANGES

• Despite periods of increased volatility, equities continued the broad market rally in June to cap off the second quarter, marking one of the strongest recoveries observed during a quarter in the post WWII era. A continuation of the market's "risk on" sentiment also resulted in gains across more economically sensitive segments of the fixed income market, led by emerging market debt and investment grade credit. The Target Fund Manager believes that a combination of unprecedented monetary and fiscal stimulus will support risk assets through the end of the year. However, in the near-term, markets are likely to be range bound and volatility elevated as investors monitor subsequent waves of the pandemic as well as increased geopolitical risk and uncertainty heading into the U.S. presidential election.

• From a sector perspective, the Target Fund Manager continues to emphasize secular growth themes across high quality equities in areas such astech, healthcare, communication services and consumer discretionary. The Target Fund Manager remains cautious on deep value-oriented sectors, notably energy, given both the low likelihood of a "V"-shaped recovery and a recognition that segments of these industries face long-term secular challenges.

• The Target Fund Manager increased exposure to select western European companies on the back of accelerating monetary support coupled with joint fiscal efforts and diminishing evidence of a second wave of COVID-19 infections. Exposure is diversified across several innovative companies, notably within materials, consumer discretionary and communication sectors. In addition to attractive valuations and growth potential from policy support, the Target Fund Manager believes that this positioning could act as an attractive diversifier to the Target Fund's U.S. equity holdings in the coming months given near-term risks of the U.S. election, COVID headlines and increased social unrest.

• While the Target Fund Manager continues to de-emphasize deep cyclical exposure given the impediments of a rapid surge in economic activity, the Target Fund Manager has looked to add exposure to companies that can benefit from a stabilizing economy but do not require a sharp cyclical upturn as a catalyst. Despite remaining underweight industrials, the Target Fund Manager found opportunities to add to select railroad, specialty chemical and defense companies that exhibit stable supply chains, long-term pricing power and exposure to niche segments of the respective markets they serve.

• Increasing uncertainty regarding the outcome of the November elections in the U.S. has recently weighed on the healthcare sector. As a result, the Target Fund Manager took the opportunity to trim exposure in select U.S. pharmaceutical and managed care companies that may fall under pressure through the election. The Target Fund Manager continues to favor the sector long-term with an emphasis on innovative companies that they believe are well-positioned and able to drive R&D efficiency, generate incremental levels of multi-year free cash flow growth and offer compelling dividend yields.

• Despite the Target Fund Manager's conviction in the portfolio's core fundamental positions across emerging Asia, the Target Fund Manager took profits over the month in select Chinese consumer discretionary companies given strong YTD performance and increased potential for near-term volatility driven by elevated US/China tensions.

• Portfolio duration modestly increased from 2.2 to 2.4 years as of month-end. With the Fed's commitment to keep rates anchored for the foreseeable future, the Target Fund Manager believes the market will remain range bound and looked to tactically manage exposure by adding to longer-dated Treasuries as rates approached the upper bound of their recent range.

• The Target Fund Manager continues to manage their yield curve exposure to maximize the hedging properties of the nominal Treasury positions. 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 the potential to offer more efficient portfolio diversification than shorter-dated maturities.

• The Target Fund Manager maintains exposure to 5-year U.S. TIPs based on the belief that the U.S. Federal Reserve is going to continue to work towards the 2% inflation target. As such, despite near-term headwinds for inflation, the Target Fund Manager believes that the 5-year breakeven rate of ~1.1% underestimates the potential for future inflation and is not fully pricing in the power of the Fed's resolve.

• The Target Fund Manager has increased the income of the Target Fund, notably through added exposure to credit-related securities. The Target Fund Manager continues to build yield into the portfolio via high-quality spread assets with a preference for a diversified basket of investment grade and high yield credit securities, as well as select EM sovereigns and securitized debt. While most of the Target Fund Manager's credit exposure is investment grade, the Target Fund Manager has found select opportunities in "middle quality" high yield.

• The Target Fund Manager maintains their exposure to gold-related securities as the Target Fund Manager believes they can provide resiliency in the 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 and the path of the U.S. dollar is less certain.

• The Target Fund Manager holds exposure to cash in the Target Fund as a diversifying asset class to help manage risk in the portfolio and as a source of funding as they look to opportunistically deploy capital. In addition to U.S. Treasury bills, they also have a position in shortterm bills in Japan to get exposure to the Japanese yen (JPY) as an additional hedge in the portfolio.

• Decreased overweight to the U.S. Dollar (USD), largely as a result of added exposure to Euro (EUR). While the Target Fund Manager remains overweight both the USD and JPY (given its their historical roles as reliable hedges during periods of market volatility), in line with their increased conviction in European equities, they added exposure to the Euro as increased policy support could also be a tailwind for the currency.

TARGET FUND'S POSITIONING

• Asset allocation (as % of net assets*): Equity: 64%, fixed income: 25%, precious metals: 4%, cash equivalents: 7%

• Within the Global Allocation Fund, the Target Fund Manager is overweight equities, with an emphasis on the United States, and have grown more constructive on European equities (ex-U.K.) amidst further policy support from joint monetary and fiscal efforts. Within equities, exposure is focused on high quality companies that exhibit earnings consistency and are positioned as beneficiaries of secular themes. Broad sector tilts are largely in line with pre-crisis positioning as many of the underlying trends that support these themes have only accelerated in recent months, and further widened the gap between winners and losers across sectors. Within fixed income, the Target Fund Manager maintains exposure to duration as a partial hedge against equity risk. Given rangebound equity market volatility and a dearth of income as a result of the sustained low rate environment the Target Fund Manager maintains exposure to credit (both investment grade and high yield) and to select emerging market sovereign debt. Allocations to diversified asset classes, notably cash and precious metals, act as a partial hedge against equity volatility, so as to manage the Target Fund's overall risk profile.

** 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.*