RHB Asset Management

# FUND FACTSHEET – SEPTEMBER 2020

All data expressed as at 31 August 2020
unless otherwise stated

3-year Fund Volatility
13.8
high
Lipper Analytics
10 AUG 2020

## RHB ASIAN GROWTH OPPORTUNITIES FUND

This Fund aims to achieve long term capital growth by investing primarily in small capitalisation stocks and stock-related securities issued by corporations in the Asia Pacific region (excluding Japan).

### INVESTOR PROFILE

This Fund is suitable for investors who:

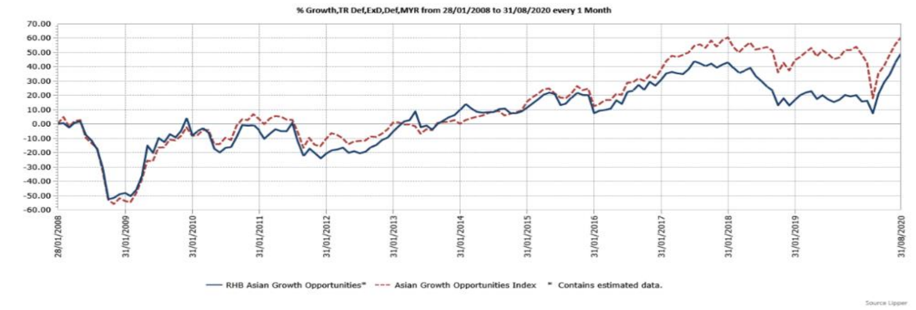
- seek investment opportunities in the small cap securities in the Asian (excluding Japan) region;
- wish to invest in an established foreign fund managed by a renowned fund manager; and
- are willing to accept a higher risk in their investments to obtain potentially higher returns in the long term.

### INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the units of United Asian Growth Opportunities 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***




*With effect from 31 August 2018, the Fund's performance benchmark was changed to 70% MSCI AC Asia Pacific ex Japan Small Cap Index and 30% MSCI AC Asia Pacific ex Japan Mid Cap Index. The benchmark chosen for the Fund is to better reflect the investment strategy and focus of the Fund which is to invest primarily in small capitalisation stocks with the remaining of its assets to invest in mid capitalisation stock. Note: Prior to 31 August 2018, the Fund's performance benchmark was MSCI AC Asia Pacific ex Japan Mid Cap Index (RM).*

**Cumulative Performance (%)***

| | 1 Month | 3 Months | 6 Months | YTD |
|---|---|---|---|---|
| **Fund** | **4.44** | **15.27** | **27.98** | **23.78** |
| Benchmark | 3.16 | 14.19 | 12.56 | 4.20 |

| | 1 Year | 3 Years | 5 Years | Since Launch |
|---|---|---|---|---|
| **Fund** | **28.94** | **4.67** | **30.29** | **48.74** |
| Benchmark | 10.42 | 3.08 | 35.82 | 60.23 |

**Calendar Year Performance (%)***

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **Fund** | **6.36** | **-20.05** | **11.68** | **5.33** | **10.57** |
| Benchmark | 12.07 | -13.33 | 20.42 | 5.71 | 7.79 |

*Source: Lipper IM*

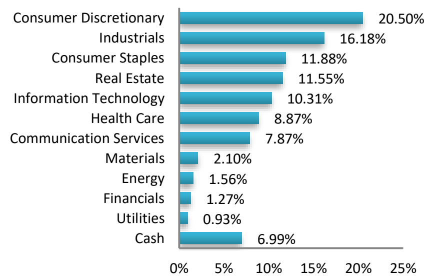
### FUND DETAILS

| | |
|---|---|
| **Manager** | RHB Asset Management Sdn. Bhd. |
| **Trustee** | HSBC (Malaysia) Trustee Bhd |
| **Fund Category** | Feeder Fund |
| **Fund Type** | Growth Fund |
| **Launch Date** | 08 January 2008 |
| **Unit NAV** | RM0.7437 |
| **Fund Size (million)** | RM7.32 |
| **Units In Circulation (million)** | 9.84 |
| **Financial Year End** | 31 December |
| **MER (as at 31 Dec 2019)** | 0.78% |
| **Min. Initial Investment** | RM1,000.00 |
| **Min. Additional Investment** | RM100.00 |
| **Benchmark** | 70% MSCI AC Asia Pacific ex Japan Small Cap Index + 30% MSCI AC Asia Pacific ex Japan Mid Cap Index |
| **Sales Charge** | Up to 5.00% of investment amount* |
| **Redemption Charge** | None |
| **Annual Management Fee** | 1.80% p.a. of NAV* |
| **Annual Trustee Fee** | Up to 0.08% p.a. of NAV* |
| **Switching Fee** | RM25.00 per switch* |
| **Redemption Period** | Within 10 days after receipt the request to repurchase |
| **Distribution Policy** | Incidental |

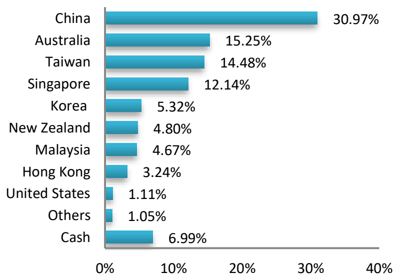
**All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.*
*For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*

### FUND PORTFOLIO ANALYSIS

**Sector Allocation***




**Country Allocation***




**Top Holdings (%)***

| | |
|---|---|
| CHINA NEW HIGHER EDUCATION GROUP | 5.98 |
| KOGAN.COM LTD | 4.85 |
| FISHER & PAYKEL HEALTHCARE | 4.80 |
| NETLINK NBN TRUST | 4.78 |
| GUANGDONG HAID GROUP CO LTD | 3.95 |

**As percentage of NAV*

**Source: UOBAM, 31 August 2020. Exposure in United Asian Growth Opportunities Fund - 88.61%*

### FUND STATISTICS

**Historical NAV (RM)**

| | 1 Month | 12 Months | Since Launch |
|---|---|---|---|
| High | 0.7494 | 0.7494 | 0.7494 |
| Low | 0.7121 | 0.4815 | 0.2213 |

*Source: Lipper IM*


**RHB Asset Management Sdn Bhd (174588-x)** **Head Office: Level 8, Tower 2 & 3, RHB Centre, 50400 Kuala Lumpur** **General Line: 603-9205 8000**

www.rhbgroup.com
RHB Group @RHBGroup RHB Group RHBGroup

RHB Asset Management Sdn Bhd (174588-X)

3-year Fund Volatility 13.8 high Lipper Analytics 10 AUG 2020

# RHB ASIAN GROWTH OPPORTUNITIES FUND

This Fund aims to achieve long term capital growth by investing primarily in small capitalisation stocks and stock-related securities issued by corporations in the Asia Pacific region (excluding Japan).

## MANAGER'S COMMENTS

**MARKET REVIEW**

Global equity markets continued their rally with the S&P500 +6.0%. Asian equities rallied amidst declining dollar, progress on vaccine development and relaxed stance on US inflation targeting. Broad-based firming in macro data suggests a demand recovery associated with re-opening in the major economies. US-China tensions broadly remained mixed – while there were sanctions on Huawei, closure of consulates, ban on Tik Tok and Wechat operating in the US and the South China dispute, both countries still remained committed to implementing the Phase I deal.

MSCI Hong Kong moved up amid the stabilizing pandemic situation. The recovery was broad-based across most sectors, including financials, industrials and properties. Macau casinos rebounded strongly by 16%mom, with China announcing a full resumption of IVS and group tour visas across all provinces starting from September 23. The Hong Kong government has relaxed some of the social distancing measures given the contained local daily infection rate. On the external front, geopolitical issues remain a key overhang, with the US imposing sanctions on 11 HK and Chinese officials in early-August and officially suspending HK's favoured trading status on 19 August.

MSCI China rallied in August. Equity performance has been boosted by positive 2Q20 earnings surprise (mainly driven by the internet sector) and the capital market reforms broadening out to ChiNext. The first batch of 18 IPOs started to trade on Aug 24. Similar to the STAR board, the first batch made a strong debut. US-China tensions remained mixed. US further added 38 Huawei affiliated companies to the Entity List and tightened the financial scrutiny over ADRs. On the economy, while the July activity data confirms that the economy continued to recover going into early 3Q, the momentum of industrial production appears to have moderated and consumer demand has yet to recover fully. Within sectors, consumer discretionary (mainly the Ecommerce) took a notable lead, thanks to superior earnings print amidst economic recovery.

MSCI India rose in August, outperforming both Asia and emerging markets overall. Indian equities continued their upward momentum during the month. Corporate earnings fared better than expected on strong cost control. However, the last trading day of the month saw a sharp correction (-2.5%) on account of renewed tensions along the India-China border at Ladakh. Markets continued to move higher following the trend in global markets, even as India continues to see a sharp increase in daily new COVID-19 cases.

MSCI Korea moved up in August. With the COVID-19 resurgence, growth stocks and COVID-19 thematic stocks outperformed peers. On a sector basis, Materials, Consumer Discretionary, and Communication Services were the top three sectors, while IT and Industrials were notable underperformers due to the weak demand outlook in 2H20.

MSCI Taiwan closed lower in August to end its two-month long rally amid rising geopolitical tensions between the US and China. Downside was somewhat limited by the better-than-expected 2Q20 earnings reports. Performance was dragged by Tech, as the US further tightened Huawei restrictions to include foreign-made chips produced by third parties or made by foreign manufacturers using US technology (report). Huawei supply names, mainly the Taiwan China IC design chain, suffered a blow as it was seen as the biggest beneficiary of new business from Huawei. A potential ban on Tencent's WeChat platform in the US weighed down sentiment for Apple supply chain. TSMC finished flat as downside from Huawei restrictions was offset by a strong demand outlook in the longer term from its other clients.

ASEAN markets turned in a mixed performance as they continued to underperform North Asia in general. The main highlight was the reporting of 2Q20 GDP data, with all countries showing a varying degree of economic contraction.

MSCI Indonesia and MSCI Singapore turned in a positive performance while MSCI Malaysia and MSCI Thailand had negative returns.

MSCI Singapore closed higher in August. The main macroeconomic highlight in August was the release of GDP data. Singapore 2Q20 GDP contracted -13.2% yoy, providing a negative surprise against consensus expectations. The Singapore Finance Ministry also announced additional measures up to S$8 billion to support the economy. The financial sector was buoyed by a rebound in bank shares, while Info Tech was the other notable outperformer. Sectors that lagged the market were Communication Services, Consumer Discretionary and Consumer Staples.

MSCI Malaysia fell in August, underperforming the region. Malaysia's 2Q20 GDP contracted -17.1% yoy, the country's worst performance on record. The underperformance was also characterized by a sell down in Health Care (glove stocks), as the sentiment on the sector turned negative on potential availability of vaccines for Covid-19. Other notable sectors to underperform were the Industrials and Materials sector. All sectors turned in negative.

MSCI Thailand fell in August, underperforming the region. Thailand's 2Q20 GDP contracted -12.2% yoy, with key economic drivers of export and tourism falling short against the backdrop of Covid-19 restrictions. Apart from worsening economic data, Thailand is also facing political headwinds from mounting student led anti-government protests. In terms of sector performance, notable outperformers were Industrials and Consumer Discretionary, while Utilities and Energy lagged the market.

MSCI Indonesia gained in August, the strongest outperformer amongst ASEAN markets. Indonesia's 2Q20 GDP contracted -5.3% yoy. While this was the country's worst performance since the 1999 Asian Financial Crisis, this was better than other ASEAN peers. The contraction in GDP followed the peak of Indonesia's social restriction measures. The market was led by Energy and Materials, while notable laggards were Communication Services and Consumer Discretionary.

MSCI Philippines remained flat in August. 2Q20 GDP contracted -16.5% yoy as Philippines implemented one of the strictest lockdowns in ASEAN. Notable declines in private consumption were driven by a fall in overseas remittances as well as higher unemployment. Despite one of the worst contractions amongst ASEAN peers, the market remained flat as Communication Services led the market, while notable underperformance came from Financials and Real Estate.

**MARKET OUTLOOK AND STRATEGY**

The Target Fund Manager is constructive on Asian markets. There is evident recovery in economic activities now, with a rebound in industrial output alongside a pick-up in services. However, the pace of recovery and subsequent growth trajectory continues to be uneven among countries. North Asia markets continue to be more resilient largely owing to strong policy support, better containment of the outbreak as well as an outsized exposure to technology sector which had outperformed year-to-date.

Looking ahead, the weaker US dollar tailwind will benefit Asia's export cyclical economies. Positive clinical trials for a Covid-19 vaccine, continued global monetary and fiscal stimulus, and the absence of widespread subsequent waves of infection might boost corporates' investment appetite for expansionary capex, and drive a more positive corporate earnings outlook. Nevertheless, intensifying US/China trade tension remains a key risk ahead of the US presidential election in November.

Key downside risks to the Target Fund Manager's constructive stance on Asia includes setbacks in Covid-19 vaccination developments, and the evolving US/China tensions escalate into actions with harsh economic impact.