

RHB ASEAN FUND

This Fund aims to achieve medium to long term capital appreciation through investments in securities of companies with high growth potential.

INVESTMENT STRATEGY

- 70% to 98% of NAV: Investments in equities and equity related securities (such as warrants).
- Up to 30% of NAV: Investments in fixed income securities such as government and semi-government bonds, corporate debt securities and money market instruments.
- 2% - 5% of NAV: Investments in liquid assets including money market instruments and deposits with financial institutions.

INVESTOR PROFILE

- This Fund is suitable for investors who:
- wish to participate in the potential and investment opportunities of the fast growing ASEAN economies; and
 - are willing to accept higher risk in their investments in order to achieve medium to long term capital growth.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	0.35	3.00	-4.85	-13.90
Benchmark	-2.44	-0.06	-8.03	-18.47

	1 Year	3 Years	5 Years	Since Launch
Fund	-13.16	-20.15	1.76	48.70
Benchmark	-18.61	-20.79	-4.46	26.78

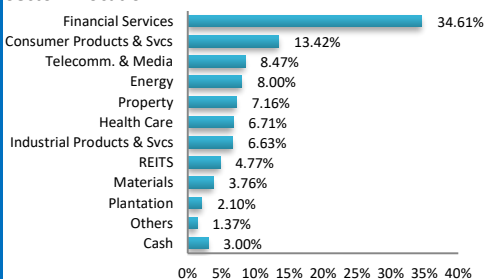
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	4.60	-9.74	10.85	5.55	2.67
Benchmark	4.17	-9.44	13.98	7.64	-2.79

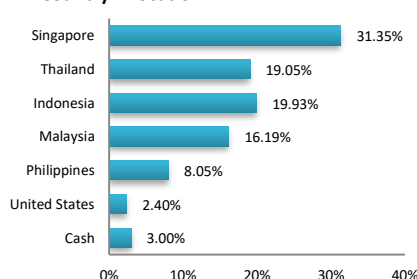
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

DBS GROUP HOLDINGS LTD	5.46
BANK CENTRAL ASIA TBK PT	4.71
UNITED OVERSEAS BANK LTD	4.49
OVERSEA-CHINESE BANKING CORP LTD	4.09
BANK RAKYAT INDONESIA PERSERO	3.26

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.3741	0.4749	0.6743
Low	0.3643	0.3192	0.3192

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
24 Apr 2020	3.0000	6.67
25 Apr 2019	3.0000	6.13
20 Apr 2018	3.4000	6.05
28 Apr 2017	-	-
28 Apr 2016	6.0000	11.24

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

MARKET REVIEW

ASEAN countries returns were a mixed bag in August. Indonesia market led the rally with 1.7% in local currency terms. Singapore market was relatively flat, and Philippines, Thailand and Malaysia were down 0.8%, 1.4% and 4.9% respectively. The greenback depreciated across the ASEAN currencies.

Singapore announced additional support measures of S\$8 billion to cushion the economy from the impacts of Covid-19, bringing the country's total pledged aid to S\$100 billion. The latest measures aim to extend wage subsidies and shore up the hard-hit aviation and hospitality sectors. The support measures have extended to March 2021. 75% of wage support will cover sectors such as aviation, aerospace and tourism until August 2020 before slowly tapering off. On corporate news, Temasek's termination of Keppel partial offer led to a decline in its share price. Wilmar's major shareholder Archer Daniels Midland undertook a secondary share placement of 170.5 million of Wilmar shares at \$4.40.

Indonesian President Jokowi presented the 2021 state budget during a national speech on August 14. It shows a budget deficit of 5.5% in 2021 vs 6.3% in 2020. The budget deficit was increased from 5.2% in late July. The overall budget rises from the original 2020 budget of IDR385 trillion (excluding COVID-19 stimulus) to IDR419 trillion in 2021.

President Duterte placed Metro Manila back into a stricter MECQ status following pleas to prevent hospitals from being overwhelmed. 2Q20 GDP contracted 16.5% YOY, putting the economy well into recession territory. Private consumption contracted by 15.5% YOY, investment (GFCF) contracted by 37.8% YOY, exports contracted by 37% YOY, while imports fell by 40%.

In Thailand, GDP recorded third straight quarter of quarterly contraction – Q2 GDP fell 12.2%YOY. This is the largest contraction since 2Q98 (-12.2% YOY in 1Q20), while the 1Q20 decline was revised lower (-2.0% YOY vs. -1.8% YOY previously). Private consumption declined 6.6% YOY driven by a 15.8% YOY drop in household spending, the lowest ever recorded. Lockdowns and the subsequent uncertainty over incomes and jobs drove consumers to cut back on non-essential consumption. Thailand has gradually lifted restrictions since May, paving the way for a gradual rebound in domestic demand in 2H20F.

Malaysia 2Q20 GDP declined 17.1% YOY, exceeding its previous low of -11.2% YOY in 4Q98. The implementation of the movement control order resulted in the weak GDP. The construction sector fell -44% YOY followed by mining -20% YOY. BNM expects unemployment rate to range between 4% and 5% in 2020. BNM downgraded its forecasts to -5.5% to -3.5% in 2020, from Apr's range of -2.0% to +0.5%, and expects a recovery to +5.5% to +8.0% in 2021.

MARKET OUTLOOK AND STRATEGY

We have moved our strategy more defensive names as ASEAN struggles to exit the Covid-19 pandemic. We have also increased our exposure to high yield dividend stocks but also increased our exposure to value plays.

In the next 5-10 years, Asia, especially ASEAN, will emerge as the region with relatively stronger growth than the rest of the world. ASEAN, with its structural advantage in demographics, will emerge as the complimentary piece to China's evolution into a giant consumption economy. Adding on to the commitments by the governments in Asia/ASEAN towards infrastructure development, the region will feature prominently as the place for equity investments. We would look to buy stocks during periods where investors largely ignore these positive developments in the region.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 August 2020, the Volatility Factor (VF) for this fund is 15.2 and is classified as "High". (source: Lipper) "High" includes funds with VF that are above 12.8 but not more than 15.4 (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 30 June 2020 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 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 contents of the PHS and Master Prospectus dated 3 September 2017 and its supplementary(ies) (if any) ("collectively known as the Master Prospectus") before investing. The Master Prospectus has been registered with the Securities Commission Malaysia ("SC") who takes no responsibility for its contents. The SC's approval or authorization, or the registration of the Prospectus should not be taken to indicate that the SC has recommended 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. If in any doubt, consult your banker, lawyer, stockbroker or an independent financial adviser.

The Manager wishes to highlight the specific risks of the Fund are country risk and currency risk. These risks and other general risks are elaborated in the Master Prospectus. This Fund 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.

This Fund Factsheet has not been reviewed by the SC.

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