

### 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

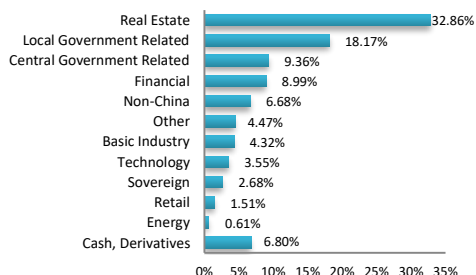
|                                       |  |
|---------------------------------------|--|
| <b>Manager</b>                        | RHB Asset Management Sdn. Bhd.                     |
| <b>Trustee</b>                        | CIMB Commerce Trustee Bhd                          |
| <b>Fund Category</b>                  | Wholesale Feeder                                   |
| <b>Fund Type</b>                      | Growth Fund  |
| <b>Launch Date</b>                    | 23 October 2019                                    |
| <b>Base Currency</b>                  | RMB  |
| <b>Unit NAV</b>                       | GBP1.0567  |
| <b>Fund Size (million)</b>            | GBP0.60  |
| <b>Units In Circulation (million)</b> | 0.56   |
| <b>Financial Year End</b>             | 31 August  |
| <b>MER</b>                            | Not available                                      |
| <b>Min. Initial Investment</b>        | GBP1,000.00  |
| <b>Min. Additional Investment</b>     | GBP500.00  |
| <b>Benchmark</b>                      | 1-year China Household Savings Deposits Rate Index |
| <b>Sales Charge</b>                   | Up to 3.00% of investment amount*                  |
| <b>Redemption Charge</b>              | None   |
| <b>Annual Management Fee</b>          | Up to 1.20% p.a. of NAV*                           |
| <b>Annual Trustee Fee</b>             | Up to 0.04% p.a. of NAV*                           |
| <b>Switching Fee</b>                  | GBP 10.00 per switch*                              |
| <b>Distribution Policy</b>            | 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.

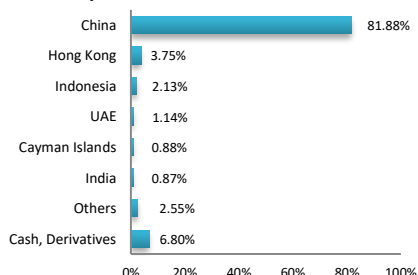
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



##### Top Holdings (%)\*

|   |      |
|---|------|
| YINCHUAN TONGLIAN CAPITAL INVESTME RegS 4.45 (10/06/2023) | 2.19 |
| SINO-OCEAN LAND TREASURE IV LTD RegS 4.75 (05/08/2029)    | 1.53 |
| COASTAL EMERALD LTD RegS 4.3 (31/12/2049)                 | 1.37 |
| WEIBO CORP 3.375 (08/07/2030)                             | 1.26 |
| CCCI TREASURE LTD RegS 3.425 (31/12/2049)                 | 1.26 |

\*As percentage of NAV

\*Source: Black Rock, 31 July 2020. Exposure in BlackRock Global Funds - China Bond Fund - 91.88%

#### FUND STATISTICS

##### Historical NAV (GBP)

|      | 1 Month | 12 Months | Since Launch |
|------|---------|-----------|--------------|
| High | 1.0605  | N/A       | 1.0605       |
| Low  | 1.0487  | 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 has maintained their offshore USD credit exposure at 80% of the portfolio throughout the month. Subsequently, the search for income with unprecedented easing policies across the globe resulted in strong performance of the USD China credit over the month.

The portfolio remains income-focused with a yield of 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.

**TARGET FUND'S POSITIONING**

The Target Fund Manager continues to remain constructive on the offshore China USD credit market at the moment, but are closely monitoring the development of China/US trade tensions. The risk of further escalation of geo-political tension will potentially cap the upside direction of risk assets. On the other hand, the Target Fund Manager has seen positive drivers including Eurozone recovery fund, expectation of a vaccine and US fiscal package which will help to keep a floor for risk assets in case of correction.

Moving into September as the Target Fund Manager is closer to the US election, the Target Fund Manager expects to increase their allocation to onshore market which could serve as a hedge against rising geopolitical tensions.

The Target Fund Manager expects to increase their onshore positions through higher rated IG names which are the likely beneficiaries if monetary policy turned to 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 and in Q1 2019 during pandemic outbreak.

**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 both construction and sales activities resuming to pre covid-19 level. 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 expects financing conditions to be less relaxed in 2H20 with demand technical in the onshore and offshore bond markets remain favourable to developers.

The Target Fund Manager is selective on onshore short-dated industrial names with strong fundamentals for diversification. Valuations also become more attractive compared to offshore space.

**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 is selective on central SOEs across both onshore and offshore given valuations are comparable at the moment. The Target Fund Manager prefers offshore LGFV offshore names given valuations still look attractive at the moment. Besides, the NDRC quota control means the supply pressure is limited. As the Target Fund Manager goes into local SOEs, LGFVs, they have to assess both the systematic importance of the entity and also the fundamentals of the corporate.

**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 contents of the PHS and Information Memorandum dated 15 May 2019 and its supplementary(ies) (if any) ("collectively known as the Information Memorandum") before investing. The Information Memorandum has been registered with the Securities Commission Malaysia 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 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. 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 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 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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