RHB Asset Management

FUND FACTSHEET – SEPTEMBER 2020

All data expressed as at 31 August 2020 unless otherwise stated

3-year Fund Volatility 9.4 low Lipper Analytics 10 AUG 2020

RHB MULTI ASSET REGULAR INCOME FUND

The Fund aims to provide regular income and medium to long term capital growth through a multi asset strategy.

INVESTOR PROFILE

This Fund is suitable for investors who:

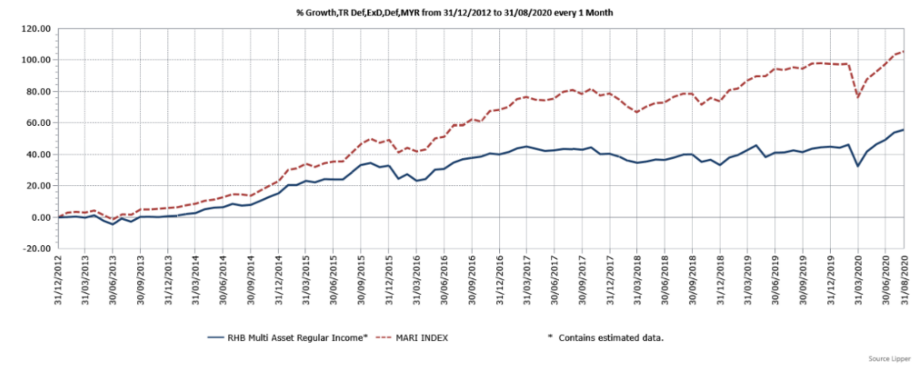
- seek regular income and capital growth over the medium to long term;
- are willing to accept moderate risk in their investments; and
- wish to benefit from investment exposure in the Asia and Asia Pacific (ex Japan) region.

INVESTMENT STRATEGY

- 65% - 98% of NAV: Investments in Asian (ex Japan) debt instruments/bonds, Asia Pacific (ex Japan) dividend equities and Asia Pacific (ex Japan) REITs.
- 2% - 35% of NAV: Investments in liquid assets including 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	**1.12**	**6.50**	**6.67**	**7.60**
Benchmark	0.79	6.50	3.79	3.81

	1 Year	3 Year	5 Year	Since Launch
Fund	**9.38**	**8.61**	**21.15**	**55.65**
Benchmark	4.96	13.32	44.95	104.88

Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	**8.76**	**-5.21**	**0.19**	**5.41**	**15.46**
Benchmark	13.51	-3.38	6.19	12.65	21.25

Source: Lipper IM

FUND DETAILS

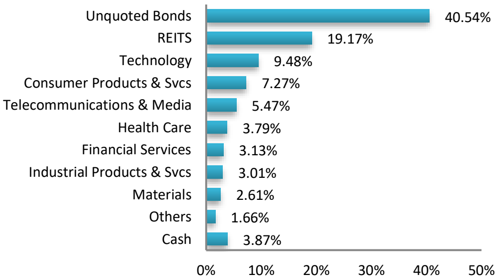
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Mixed Asset Fund
Fund Type	Income and Growth Fund
Launch Date	07 December 2012
Unit NAV	RM0.5611
Fund Size (million)	RM20.75
Units In Circulation (million)	36.98
Financial Year End	31 January
MER (as at 31 Jan 2020)	2.04%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	50% JP Morgan Asia Credit Index TR Composite (RM) + 30% MSCI AC Asia Pacific ex Japan Index (RM) + 20% MSCI AC Asia Pacific ex Japan REITS Index (RM)
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*
Distribution Policy	Quarterly, 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.*

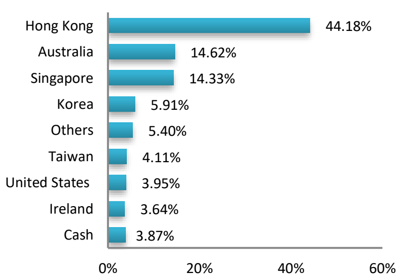
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

GOODMAN GROUP	5.13
JD.COM INC 3.375%(14.01.2030)	4.36
CIFIHG 7.625% (28/02/2023)	4.24
TIME CHINA HLDG LTD 6.75% (08/07/2025)	4.13
DIANJIAN HAIYU LTD @4.3% (20/12/2067)	4.11

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5611	0.5651	0.6266
Low	0.5512	0.4682	0.4636

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
24 Jul 2020	0.8000	1.48
24 Apr 2020	0.8000	1.53
23 Jan 2020	1.0000	1.86
29 Jan 2018	0.8500	1.57
26 Oct 2017	0.8500	1.52
20 Jul 2017	1.4500	2.54

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

MARKET REVIEW

The global equity markets gained a strong 6.0% in August, bringing the year to date loss back to a positive return of 3.5%. The top 3 performing sectors in the month of August are. Stocks climbed, led by consumer discretionary (12.1%), information technology (+9.1%) and industrial (+8.1%), after economic data bolstered optimism that a recovery from a pandemic-induced recession is on track. On the other side, only the utilities sector (-2.0%) sector registered negative returns in August. Within regions, Japan (+7.6%) and US (+7.3%) outperformed global peers while the Europe (+3.8%), UK (+2.8%) and Asia ex Japan (3.4%) underperformed in USD terms.

Governments around the world are still balancing between easing coronavirus lockdowns to revive economic growth and controlling any resurgence of new cases. Cases reached 25 million worldwide with numbers in India and Brazil still concerning. As long as infections don't escalate to the point in which countries start considering national-level measures, economy should be fine. But with no medical solution yet, the improvement in mobility data may be limited and PMI normalization is largely completed. Globally, seven vaccines are now in phase 3 clinical stage according to WHO. Evidence so far suggests that the Covid-19 "Second Wave" has been far more benign comparing infections rates and deaths rates. Countries where the infections had troughed around June and are now increasing have not seen a corresponding increase in deaths. There are several reasons for this, including more widespread testing that catches less severe case, better treatments, preparedness of national health systems, and protection for the most vulnerable population.

In US, attention was focused on Chairman Jay Powell's speech at Jackson Hole Symposium on August 27th 2020 on "Navigating the Decade Ahead: Implications for Monetary Policy". The new approach of the Fed's Policy Framework could be viewed as a flexible form of average inflation targeting, allowing inflation to run moderately above or below the Fed's 2% target for some time. This means that interest rates could be left lower for a longer period despite a rise in inflation. Regarding employment, the revised statement reflects the Fed's view that a robust job market can be sustained without causing an outbreak of inflation and the maximum level of employment is a broad-based and inclusive goal. If the FOMC changes its communications tools (say, in September) to reinforce these changes, it may be an "enhanced guidance" that refers to an inflation goal that is higher than it otherwise would be, or an unemployment goal that is lower than it otherwise would be. In turn, that would imply "lower for longer" policy rates. That said, recent moves in the market (i.e., higher inflation breakeven) suggest that part of the new framework and the new 'tools' are largely priced in

China's industrial profit growth rose to 19.6% y-y in July from 11.5% in June, taking its year-to-date growth to -8.1% y-y in July from -12.8% in June (2019: -3.3%). This improvement was likely driven by a rise in PPI inflation to -2.4% y-y in July from -3.0% in June, as industrial production growth was unchanged at 4.8% y-y in July. In the first seven months of 2020, profit growth at state-owned and private enterprises dropped to -23.5% y-y and -5.3%, respectively, from -12.0% and 2.2% in 2019; while profit growth at foreign enterprises over the same period inched up to -3.4% from -3.6% in 2019. Tensions with the US are likely to remain high as US November election draw nearer.

UST curve bear-steepened overall in the month of August with long duration USTs taking the brunt of the selling pressure last week. 2y and 5y UST yields were little changed but 10y and 30y yields were sold 9bps and 16bps higher. Asian credit markets were firm under low volume due to European summer holidays. Investment grade continued to see investors focusing in new issues, while there was also good demand for benchmark beta names. HY market saw PB extending duration for benchmark BB names, but overall performance was driven by respective companies' interim results announcement.

MARKET OUTLOOK & STATEGY

At the end of the month, we took advantage of the higher yield to extend the duration of the portfolio by buying a 10-year bond issued by JD.

During the month, we continue to hold a slight overweight positions to equities. We continue to add to selected Taiwan technology names on their leadership in nano chips and data-centre related names, quality Chinese e-commerce player with increasing exposure in the grocery space through its partnerships with supermarkets, as well as participated in the IPO of certain pharmaceutical name. Separately, we took profits on cyclical names on strong earnings and recovery during the month, specifically autos as well as Australian properties.

Overall, we remain positive on Asia ex-Japan on prospects of growth uptick and within which, we favour China. China is the only major economy that registered a positive 2Q GDP growth. The speed and effectiveness at which China was able to deal with recent virus relapses while avoiding wide-scale shutdowns mitigate a downside risk that concerned us as recently as of a couple of months ago. Although we still anticipate clusters to occur going forward, China has acquired enough capacity to conduct mass testing relatively quickly. Such capacity allows it to identify and quarantine the transmission chains to prevent even larger outbreaks. 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 ongoing US-China tensions. A secondary risk is the severe flooding, which is still ongoing and hence the overall impact remains uncertain. Yet we expect any flooding impact (either on inflation or on economic growth) to be transitory.

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