

### RHB ASIA CONSUMER FUND

This Fund aims to achieve capital appreciation through investment in equities or equity-related securities of Asian (excluding Japanese) companies whose businesses are likely to benefit from or are related to growth in consumer spending in Asia.

#### INVESTOR PROFILE

This Fund is suitable for investors who:

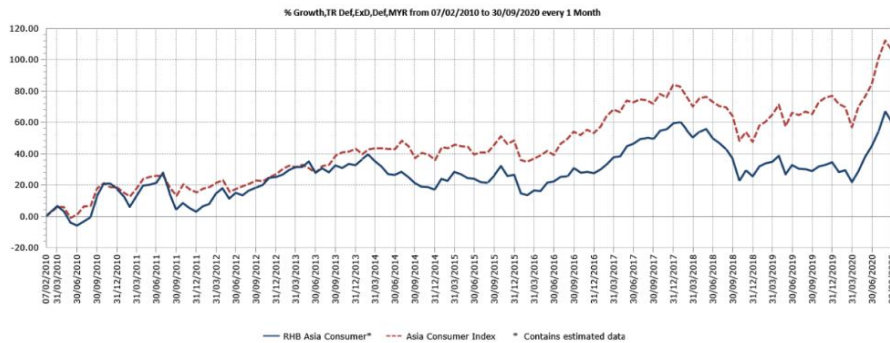
- seek investment opportunities in companies whose businesses are likely to benefit from or related to growth in consumer spending in Asia;
- seek capital appreciation rather than income; and
- are willing to accept a higher risk in their investments to obtain potentially higher returns in the long term.

#### INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the units of United Asia Consumer 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\*



##### Cumulative Performance (%)\*

	1 Month	3 Months	6 Months	YTD
Fund	-4.12	10.50	31.36	18.99
Benchmark	-2.89	11.79	31.26	16.51

	1 Year	3 Years	5 Years	Since Launch
Fund	24.18	7.12	27.09	59.98
Benchmark	24.72	19.90	41.48	105.98

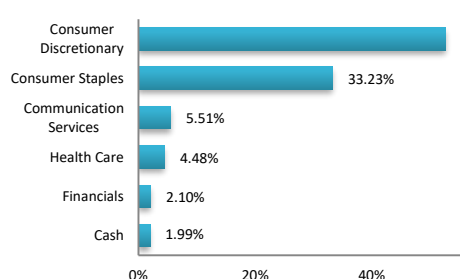
##### Calendar Year Performance (%)\*

	2019	2018	2017	2016	2015
Fund	7.17	-21.33	24.89	1.15	7.86
Benchmark	19.80	-19.72	19.95	3.21	9.17

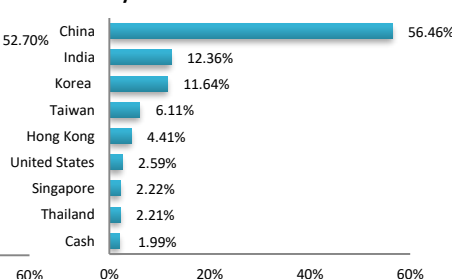
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



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

ALIBABA GROUP HOLDING LTD	10.24
JD.COM INC	9.69
HINDUSTAN UNILEVER LTD	6.61
TENCENT HOLDINGS LTD	5.51
KWEICHOW MOUTAI CO LTD	4.44

\*As percentage of NAV

\*Source: UOBAM, 30 September 2020. Exposure in United Asia Consumer Fund - 97.07%

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6035	0.6035	0.6451
Low	0.5571	0.4085	0.4085

Source: Lipper IM

##### Historical Distributions (Net)

	Distribution (sen)	Yield (%)
25 Jul 2019	1.6000	3.26
20 Jul 2018	-	-
20 Jul 2017	5.2000	9.56
31 Jul 2016	-	-
31 Jul 2015	-	-

Source: RHB Asset Management Sdn. Bhd.

## RHB ASIA CONSUMER FUND

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### MANAGER'S COMMENTS

#### MARKET OUTLOOK AND STRATEGY

The Target Fund Manager remains constructive on Asian consumer stocks. 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, this in turn bodes well for consumption. 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 and a contested US presidential election in November remain key risks. The Target Fund Manager expects elevated market volatility as they approach the US election.

The Target Fund Manager continues to position favourably towards North Asia over ASEAN and India, as the former is ahead in its economy re-opening and recovery path. The Target Fund Manager maintains our overweight stance on the China market. China has the best near term economic growth prospects among most countries, and large weights in the type of companies with businesses that have proven to be resilient through Covid-19, e.g. E-commerce, social media, internet economy. The China market's valuations still look reasonable despite its outperformance.

The Target Fund Manager is overweight in Korea where consumer companies there, especially auto and auto parts companies are reporting better than expected results. Korean auto companies are executing well their global Electric Vehicle (EV) strategy with aggressive new model launches starting from 2H20 and well into 2021 and beyond. The sector had underperformed for many years and valuations are now attractive. The Korean cosmetic sector has also announced better than expected export numbers. This segment is especially sensitive to exports to China and with China consumption picking up rapidly, investors are also expecting the cosmetics sector in Korea to do well. Other purely domestic consumption players continue to see anaemic growth.

In Taiwan, the Target Fund Manager remains overweight eCommerce related plays and selective retail companies that have benefited from the recent Covid crisis. As with Korea, general domestic consumption has yet to see any meaningful recovery.

Hong Kong remains an underweight. Retail sector in HK remains weak without mainland tourist arrivals. The gaming sector is also similarly affected. All eyes are on the Golden Week holiday season now to gauge if any recovery is imminent.

The Target Fund Manager remains underweight in all the other Asean markets. In Philippines, uncertainty remains over extended lockdown which will push economic recovery further out. Singapore consumption is weak as government support measures may have peaked against a lackluster domestic economic recovery. Indonesia has seen another round of lockdown in the capital which will deal another blow to the already weak consumption scene. Thailand, which is very tourism dependent, has no plans yet to allow more tourist to visit the country. There are no real signs of a strong consumption recovery in Malaysia either at this point.

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

#### DISCLAIMER:

Based on the fund's portfolio returns as at 10 September 2020, the Volatility Factor (VF) for this fund is 14.9 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 6 October 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 Master 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 for the Fund are management risk and foreign investment risks such as country risk and currency risk and the specific risks of the Target Fund are market risk in Asian (excluding Japan) markets, foreign exchange risk, political risk, derivatives risk, liquidity risk, small capitalisation companies risk, single sector and regional risk, counterparty risk, financial institution risk, equity risk, broker risk and investment management 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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