

RHB ASIAN INCOME FUND MULTI CURRENCIES - EUR HEDGED CLASS

The Fund aims to provide income and capital growth over the medium to long-term[^] by investing in one (1) target fund, i.e. the Schroder Asian Income.

Note: [^]“medium to long term” in this context refers to a period of between 3 – 10 years.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the class X units of the Target Fund.
- 2% - 5% of NAV: Investments in liquid assets including money market instruments and Placements of Cash.

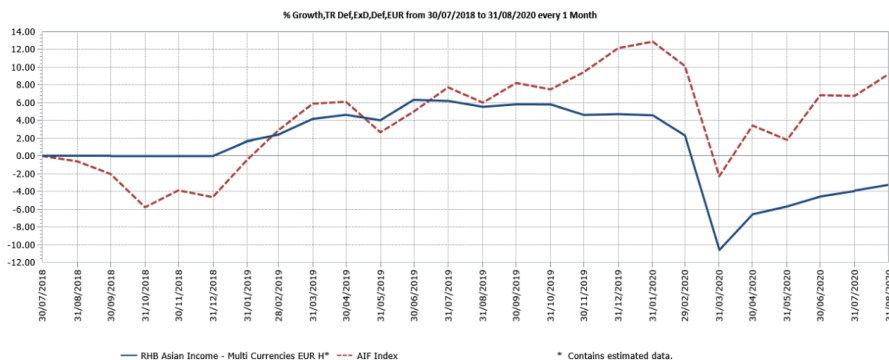
INVESTOR PROFILE

This Fund is suitable for:

- ‘Sophisticated Investor(s)’ as defined in the Information Memorandum.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	0.68	2.53	-5.44	-7.61
Benchmark	2.32	7.28	-0.81	-2.58

	1 Year	Since Launch
Fund	-8.33	-3.27
Benchmark	3.06	9.22

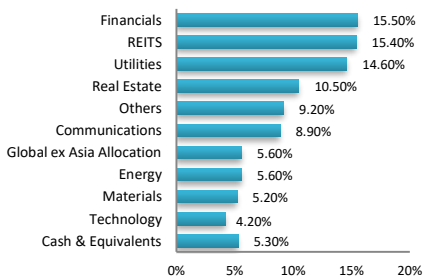
Calendar Year Performance (%)*

	2019
Fund	4.69
Benchmark	17.56

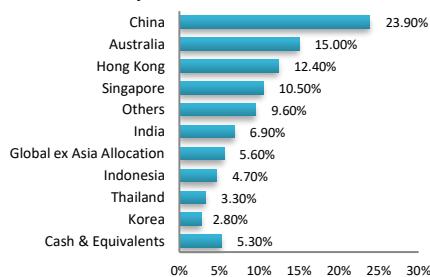
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

HK ELECTRIC INVESTMENTS UNITS LTD	2.40
AUSNET SERVICES LTD	2.10
POWER GRID CORPORATION OF INDIA LTD	1.70
POWER ASSETS HOLDINGS LTD	1.70
ASCENDAS REAL ESTATE INVESTMENT TRUST	1.40

*As percentage of NAV

*Source: Schroder, 31 August 2020. Exposure in Schroder Asian Income - 97.66%

FUND STATISTICS

Historical NAV (EUR)

	1 Month	12 Months	Since Launch
High	0.9349	1.0634	1.0769
Low	0.9211	0.8333	0.8333

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
24 Jul 2020	1.0000	1.08
24 Apr 2020	1.0000	1.04
23 Jan 2020	0.7500	0.72
29 Oct 2019	1.1000	1.04

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS
MARKET OVERVIEW

Asian equities posted a strong return, led by China and Hong Kong, where Covid-19 infection rates fell. In China, positive surprises in Q2 earnings resulted in boosted sentiment, in spite of the rising tensions with the US. Malaysia, Thailand and Taiwan finished in negative territory and were the weakest index performers. In fixed income, the 10-year US Treasury yield rose 18bps, while corporate bonds outperformed government bonds.

MARKET STRATEGY AND OUTLOOK
Equity

Over the month, the Target Fund Manager added to selective REITs, including a newly listed India REIT which boosts a well-diversified portfolio of Grade-A commercial offices with strong rental collections. Another added position is the Target Fund Manager's Australia REIT, which rose strongly following the recent earnings announcement. The company's exposure to resilient sectors such as residential / neighbourhood malls, and the further diversification of the asset mix into area of growth such as logistics should continue to bring relative stability to fund flows and distributions. Elsewhere, within the Taiwan tech sector, the Target Fund Manager took profit from a semiconductor producer and switched into another player focusing on end-users computing equipment. The company recently unveiled a new line-up of gaming PCs and equipment, and the Target Fund Manager believes these new offerings should benefit from the increased consumer upgrade demands given the need for better hardware for stay-home entertainment such as gaming and video streaming. Lastly, the Target Fund Manager continues to reduce financials, through trimming a Thailand bank and closed a Singapore name. Loan growth is expected to slow on falling demand while net interest margin could also narrow given lower yields and interest rates.

The technology sector has been a clear winner during the pandemic-induced recession and the subsequent market recovery thanks to a suite of products and services that benefit from lockdowns, social distancing and working from home. But with much of the good news already priced into markets, valuations of these virtual names that have rallied strongly are definitely not cheap now, although the Target Fund Manager must also recognize that momentum can persist in the near-term and they could remain expensive for quite some time. Therefore, the Target Fund Manager continues to stress the importance of selectivity. Not every stock which have rallied hard present risks, as some are backed by actual increase in structural growth, but there are also some which rose largely due to investors' optimism and lack fundamental support. Picking the former and avoiding the latter is increasingly important in the current market environment.

Fixed Income

In fixed income, the Target Fund Manager added to several names and new issues within the Chinese real estate sector. The Target Fund Manager remains constructive on the sector given the positive structural factors, including a stable policy environment, credit easing cycle and market consolidation and development of city clusters. The Target Fund Manager also added to several existing holdings, including a Philippine fast food operator. Although operations have been affected by Covid-19, sales are expected to recover from new product and delivery initiatives, while cost improvements are also underway. The Target Fund Manager also added to a Thailand oil producer, as key commodity prices have shown signs of turnaround / stabilization. The Target Fund Manager then took profit on some Middle East government bonds following the recovery in oil prices. Overall, the Target Fund Manager kept duration largely unchanged at 2.1 years.

The Target Fund Manager's conviction in corporate credit remains on the back of the benign liquidity backdrop. However, the Target Fund Manager is also aware of increasing default risks which points to a more cautious approach to credit investing as falling government bond yields means that investors are being pushed further out the risk curve to search for income. As such, selection and diversified approach now becomes even more important for accessing the credit risk premium. Previous valuation opportunities in some neglected areas of the markets, such as Australia and Middle-east, have largely disappeared. The Target Fund Manager is likely to move back to the main-stream areas, and expect further opportunities in new issuances. The Target Fund Manager will continue to take part in selective attractive deals. Some local currency bond markets also present opportunities, as central banks in Asia are expected to remain extremely accommodative in their monetary policies.

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 10 July 2018 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 ("SC") who takes no responsibility for its contents. The SC's approval or authorization, or the registration of the Information Memorandum 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 cumulative 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 investors" 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, currency risk and country risk and the specific risks of the target fund are market risk in Asia, equity risk, currency risk, credit risk, investment grade, below investment grade and unrated debt securities risk, risks relating to distributions, emerging markets and frontier risk, derivatives risk, risks associated with investing through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively and individually referred to as the "Stock, Connect"), risk associated with investing in the China interbank bond market, risks specific to China and onshore RMB currency 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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