RHB Asset Management

FUND FACTSHEET - OCTOBER 2020

All data expressed as at 30 September 2020 unless otherwise stated

3-year Fund Volatility 9.5 Low — Lipper Analytics 10 SEP 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:

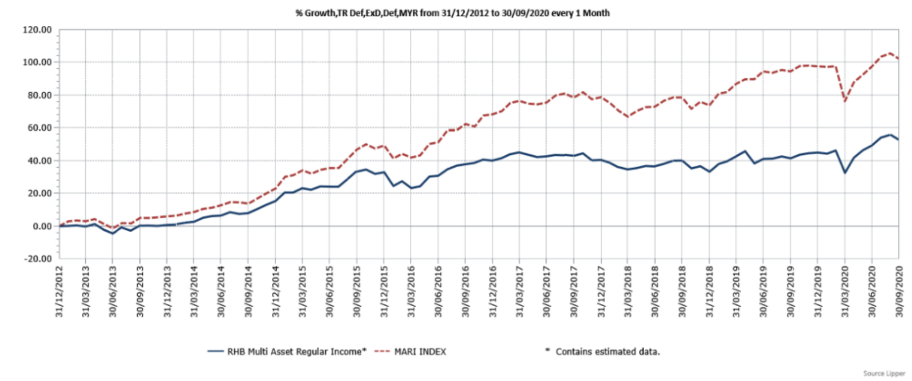
- seek regular income and capital growth over the medium to long term;
- are willing to accept moderate risk in their investments; and
- wish to benefit from investment exposure in the Asia and Asia Pacific (ex Japan) region.

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	**-2.10**	**2.24**	**15.22**	**5.34**
Benchmark	-1.44	2.57	14.92	2.53

	1 Year	3 Year	5 Year	Since Launch
Fund	**7.92**	**6.73**	**14.36**	**52.38**
Benchmark	4.13	13.50	37.83	102.34

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

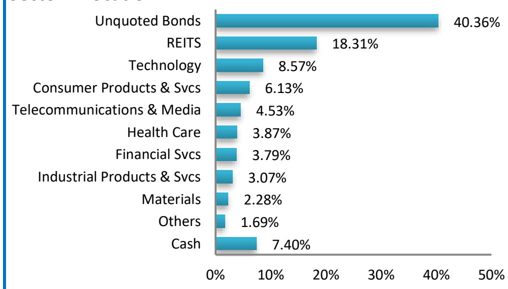
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Mixed Asset Fund
Fund Type	Income and Growth Fund
Launch Date	07 December 2012
Unit NAV	RM0.5493
Fund Size (million)	RM18.85
Units In Circulation (million)	34.31
Financial Year End	31 January
MER (as at 31 Jan 2020)	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.*

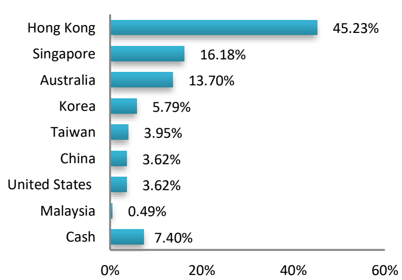
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

GOODMAN GROUP	5.37
JD.COM INC 3.375% (14/01/2030)	4.77
CIFIHG 7.625% (28/02/2023)	4.61
DIANJIAN HAIYU LTD @4.3% (20/12/2067)	4.54
TIME CHINA HLDG LTD 6.75% (8/7/2025)	4.51

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5611	0.5651	0.6266
Low	0.5460	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

Global equity markets retreated for the month of September, weighed down by building risk factors across the globe. These include rising cases in Europe, a spike in hospitalizations in Spain, new lockdown rules in UK and France, weaker PMIs across the globe, as well as US political uncertainty. The global equity markets fell by 3.4% in September, bringing the year to date return flat. No sector registered a positive return. Industrials (-0.9%), utilities (-1.1%) and materials fell the least in the month of September. Energy was the worst performing sector, as it fell -12.4% in the month. Within regions, Japan (+0.3%) registered positive return in USD terms. US (-3.9%), Europe (-3.5%), UK (-5.1%) and Asia ex Japan (-1.7%) positive negative return in USD terms.

US politics is coming in to focus as the election draws near, with current poll seeing support for Biden (Figure 2-4). The death of Supreme Court Justice Ginsburg has introduced a huge element of uncertainty and volatility into the situation. The most direct impact is likely to be further delays in the stimulus package, as markets believe that it is unlikely for a deal to come before the election, as the Republican-led Senate's focus is to push through a replacement for Justice Ginsburg. The US Senate passed a bipartisan spending bill that will keep the government funded through December 11, averting a much-dreaded shutdown. The House of Representatives already passed the stopgap measure by a 359-57 vote. Separately, President Trump's latest comments on the legitimacy of mail-in voting are not new, but reinforces concerns about possible unrest after elections, with VIX futures remain elevated into December.

The FOMC delivered no surprise (0.0-0.25%; USD 80 billion per month) and the overall message remain dovish. The FOMC committee gave its first forward guidance by the new principles agreed to at the end of its recent framework review (flexible average inflation targeting). Under this new framework, the Fed will have much more discretion to allow higher inflation and tighter labor markets, with an underlying message of lower for longer rates. The BOJ adopted an inflation-overshoot strategy back in 2016. According to the updated Summary of Economic Projections as the FOMC rolls forward the end of its forecast horizon by one year to 2023, rates remain low at least until 2023.

China left its Loan Prime Rates (LPR) unchanged, as markets expected. The 1-year rate remains at 3.85% and the 5-year at 4.65%. They are likely to remain for some time with the domestic economy still recovering at a good pace. A fallout in external demand might be the key variable that could prompt further action. The main risks to external demand are probably further economic restrictions from government reactions to a second virus wave, and a potential escalation of the US-China trading conflict. Separately, FTSE Russell said it would include China in its flagship World Government Bond Index (WGBI) from October 2021, with a 12-month staggered inclusion process. CGB is expected to eventually constitute 5.7% of the benchmark. As of now, all three major Global Bond Indices have announced their China inclusion, with Bloomberg-Barclays Global Aggregate Index and JP Morgan GBI-EM's phase-in last till November this year. Malaysia continues to be included in the FTSE World Government Bond Index (WGBI), but will remain on the FTSE Russell Fixed Income Watch List for a potential downgrade. “This follows recent initiatives by Bank Negara Malaysia (BNM) to improve secondary market liquidity and to facilitate foreign exchange (FX) transactions”, according to FTSE statement.

During the month, US Treasuries traded in a tight range and ended the month relatively unchanged. Asian USD bonds were weaker as credit spreads widened on the back of weak risk sentiment. Investment grade Asian USD bonds outperformed high yield Asian with return of -0.06% versus -1.86% respectively. Towards the end of the month, Asian high yield bonds were affected by the negative headlines news on Evergrande. We do not have any exposure to this name and we are comfortable with the credit fundamentals of the bonds held in the portfolio.

MARKET OUTLOOK & STATEGY

During the month, we sold a bond holding in Singapore to raise cash for the portfolio in anticipation of opportunities.

During the month, we took some profits off selected names which have done well, and reduced our overweight positions on equities to almost neutral position. Specifically, we took profits off selected Chinese internet names as valuations were slightly stretched and also in view of a tightening US-China relationship which could potentially hurt the stocks in the near term. We trimmed our position in selected Australia real estate names on a weak macro backdrop. Meanwhile, we added selected material names on the back of an accelerating construction outlook in China and attractive valuations. In terms of attribution, value detractors mainly came from the healthy sell-off in the Chinese markets on geopolitical tensions as well as a heightened valuation. On a positive note, technology names in South Korea and Taiwan saw robust value-add as share prices continue to do well for beneficiaries of the 5G technology and chips supply-chain where outlook and pipeline remains strong.

Overall, we remain positive on Asia ex-Japan on prospects of growth uptick and within which, we favour China. The speed and effectiveness at which China was able to deal with recent virus relapses while avoiding wide-scale shutdowns mitigates a downside risk that concerned us previously. 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.

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