

RHB ASEAN FUND

This Fund aims to achieve medium to long term capital appreciation through investments in securities of companies with high growth potential.

INVESTMENT STRATEGY

- 70% to 98% of NAV: Investments in equities and equity related securities (such as warrants).
- Up to 30% of NAV: Investments in fixed income securities such as government and semi-government bonds, corporate debt securities and money market instruments.
- 2% - 5% of NAV: Investments in liquid assets including money market instruments and deposits with financial institutions.

INVESTOR PROFILE

This Fund is suitable for investors who:

- wish to participate in the potential and investment opportunities of the fast growing ASEAN economies; and
- are willing to accept higher risk in their investments in order to achieve medium to long term capital growth.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	-0.23	-6.83	-1.43	-20.06
Benchmark	0.38	-8.11	-3.57	-23.20

	1 Year	3 Years	5 Years	Since Launch
Fund	-20.62	-25.90	-13.98	38.06
Benchmark	-23.82	-26.45	-13.62	19.41

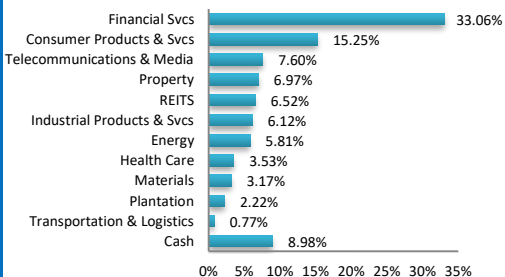
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	4.60	-9.74	10.85	5.55	2.67
Benchmark	4.17	-9.44	13.98	7.64	-2.79

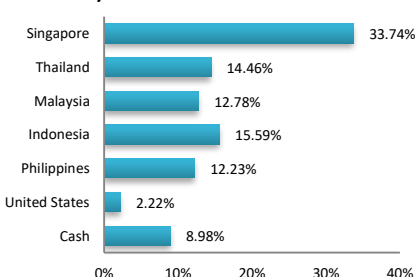
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

DBS GROUP HOLDINGS LTD	5.99
UNITED OVERSEAS BANK LTD	4.86
OVERSEA-CHINESE BANKING CORP LTD	4.42
BANK CENTRAL ASIA TBK PT	4.06
WILMAR INTERNATIONAL LTD	3.33

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.3574	0.4749	0.6743
Low	0.3440	0.3192	0.3192

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
24 Apr 2020	3.0000	6.67
25 Apr 2019	3.0000	6.13
20 Apr 2018	3.4000	6.05
28 Apr 2017	-	-
28 Apr 2016	6.0000	11.24

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

MARKET REVIEW

ASEAN markets had a mixed performance in October. Philippines and Indonesia were outperformers, up 7.8% and 5.3% respectively, buoyed by the countries' positive events which came to pass. Thailand, Malaysia and Singapore ended in negative territory in October. There was a general appreciation of ASEAN currencies against the US dollar with the Indonesia Rupiah and Thai Baht appreciating 1.7% and 1.6% respectively.

Philippines passed their national budget as the fiscal pump priming was one of the major pillars of the recovery in 2021. In addition, the COVID19 situation in the country began decreasing consistently. Active cases averaged about 46,000 in October vs. 58,000 in September. The government has eased restrictions. Public transport capacity increased. Public and private construction can now operate a full capacity. Domestic tourism is improving with key destinations such as Cebu, Boracay are accepting domestic visitors.

Jakarta also announced a scaling back of restrictions in mid-October following the flattening of additional confirmed COVID19 cases in Jakarta, which was announced in September. Restaurants dine-ins will be re-allowed.

In Singapore, MAS extending the loan moratorium support for Singapore debtors through up to Dec 2021. The moratorium extension are targeted at individuals and SMEs facing cashflow difficulties, and can be broken down into three categories: Property loans, Personal loans (student, renovation and credit cards) and SME. Furthermore there was an additional six month extension to construction deadlines. MAS maintains a zero percent per annum rate of appreciation of the policy band – as expected. Excluding the hardest hit travel and tourism sectors, MAS sees the rest of the economy performing at 75% of pre-COVID levels.

Politics also took the limelight in October in Malaysia when there was news that PM Muhyiddin Yassin had proposed to the King (YDPA) to call for a state of emergency for the country which was later declined by the King.

In Thailand, protests have been escalating in October, and eventually triggered the government to declare a state of emergency in Bangkok - which bans political gatherings of five or more people - for one month starting 15 October. As this move was met with even bigger demonstrations, the government lifted the emergency measures on 22 October. The protestors have been calling for three key demands – the resignation of Prayut, rewrite of the constitution and reforms of the monarch. Thailand also received its first tourists (39 visitors from Shanghai) under the Special Tourist Visa programme on 20 October for the first time since borders were closed in April. Thailand is currently in talks with China (28% of total visitor arrivals in 2019) to establish a quarantine-free travel corridor by January.

MARKET OUTLOOK AND STRATEGY

We have moved our strategy more defensive names as ASEAN struggles to exit the Covid-19 pandemic. We have also increased our exposure to high yield dividend stocks but also increased our exposure to value plays.

In the next 5-10 years, Asia, especially ASEAN, will emerge as the region with relatively stronger growth than the rest of the world. ASEAN, with its structural advantage in demographics, will emerge as the complimentary piece to China's evolution into a giant consumption economy. Adding on to the commitments by the governments in Asia/ASEAN towards infrastructure development, the region will feature prominently as the place for equity investments. We would look to buy stocks during periods where investors largely ignore these positive developments in the region.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 October 2020, the Volatility Factor (VF) for this fund is 15.6 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 3 September 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 of the Fund are country risk and currency 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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