

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:

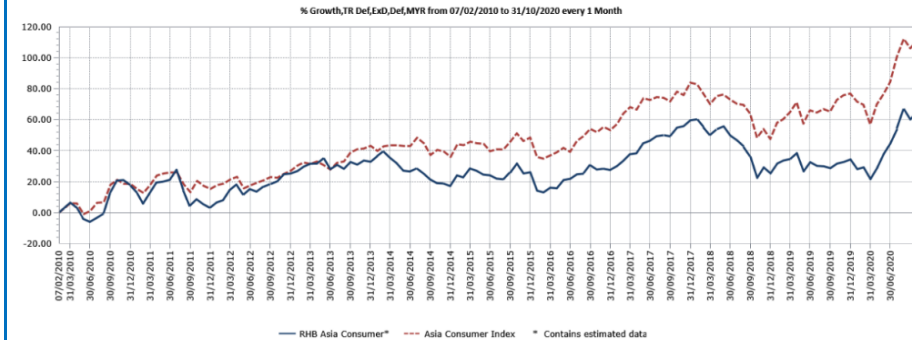
- seek investment opportunities in companies whose businesses are likely to benefit from or related to growth in consumer spending in Asia;
- seek capital appreciation rather than income; and
- are willing to accept a higher risk in their investments to obtain potentially higher returns in the long term.

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	2.91	6.85	27.84	22.44
Benchmark	2.35	5.05	24.16	19.25

	1 Year	3 Years	5 Years	Since Launch
Fund	24.93	6.39	24.86	64.63
Benchmark	22.03	18.41	39.44	110.82

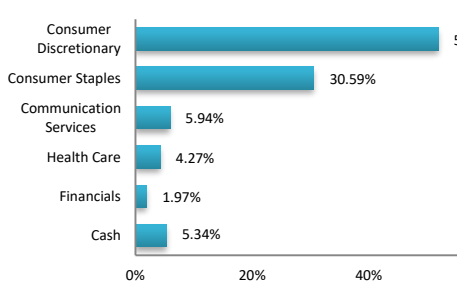
Calendar Year Performance (%)*

	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

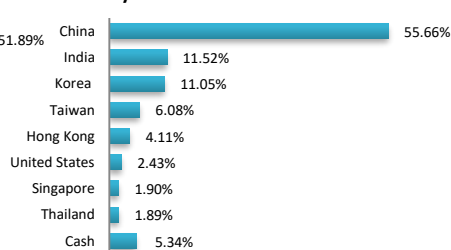
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

ALIBABA GROUP HOLDING LTD	9.91
JD.COM INC	9.51
HINDUSTAN UNILEVER LTD	6.16
TENCENT HOLDINGS LTD	5.94
MEITUAN	4.53

*As percentage of NAV

*Source: UOBAM, 31 October 2020. Exposure in United Asia Consumer Fund - 97.08%

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6003	0.6035	0.6451
Low	0.5745	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.

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MANAGER'S COMMENTS

MARKET OUTLOOK AND STRATEGY

At time of writing, the likely outcome of a Biden win and a divided Congress has led to reduced expectation of an immediate and large scale fiscal stimulus in the US. Against this incrementally less bullish backdrop, the Target Fund Manager remains constructive on Asia equities. Whilst market volatility due to policy vacuum is likely near term, they expect the focus to shift on 2021 once the US presidential election result is cast in stone. The combination of strong earnings recovery in Asia, positive clinical trials for a Covid-19 vaccine, continued global monetary and fiscal policy support, as well as better virus handling trends in the Asian region set up a favourable backdrop for Asian markets heading into next year. Looking ahead, corporates' investment appetite for expansionary capex could see a boost, and drive a more positive corporate earnings outlook. Key risks to the Target Fund Manager's constructive outlook include regulation risks in the Technology space and/or deteriorating US/China foreign policy.

This month, the Target Fund benefitted from the outperformance in Taiwan, Korea and China whilst their underweight in Asean markets has detracted from their performance slightly. The Target Fund Manager has not changed their holdings in Taiwan and these have continued to do well in the last few months due to stock specific factors. These companies had continued to deliver strong growth this year despite the lacklustre domestic consumption market.

In Korea, after being heavily sold down in the past few quarters, the Target Fund Manager saw a meaningful recovery in the share prices of Korea consumer stocks. The Target Fund Manager's positions in Korean autos and Korean cosmetics has done well this month on better than expected results in the last quarter. Korean autos have seen international demand pick up especially in developed markets, underpinned by the successful launch of new models. Going forward, the Target Fund Manager expects Electric Vehicles to be the long term growth drivers for Korean auto companies.

In China, New Economy stocks have continued to do well at the expense of brick and mortar type retail companies. The Target Fund Manager does not foresee any change to this long term trend. These companies will continue to report strong sales and profit growth and the Target Fund Manager remains overweight in this segment.

The Target Fund Manager remains sceptical about the development in Asean markets given their rather patchy effectiveness of their policies to deal with the ongoing Pandemic. Even in Singapore where the policies have been largely effective, the negative impact on growth and consumption has been significant. There is little surprise that Singapore has been the worst performing market in Asia this year, doing worse than even Indonesia and Thailand. The Target Fund Manager is currently still comfortable underweighting Asean relative to the North Asian markets at this point. The Target Fund Manager will re-assess their positioning after they see evidence of a strong turnaround in the consumer sector in these countries.

Key downside risks to the Target Fund Manager's 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 October 2020, the Volatility Factor (VF) for this fund is 15.1 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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