

RHB ASIAN REAL ESTATE FUND

This Fund aims to achieve a long term capital appreciation through investments in the real estate market.

INVESTOR PROFILE

This Fund is suitable for investors who:

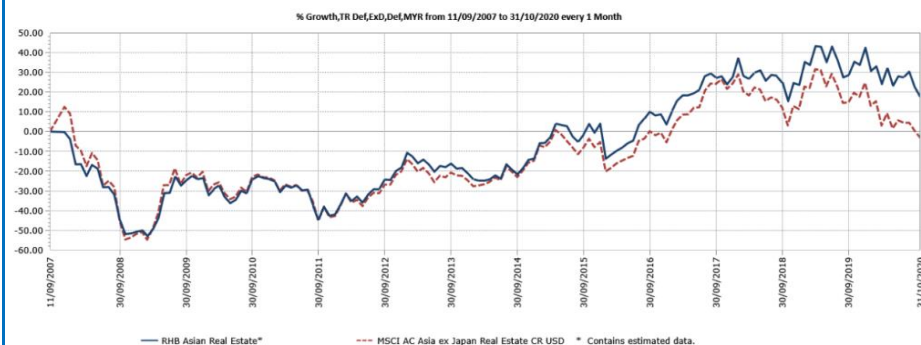
- wish to participate in the opportunities offered by the Asian real estate markets;
- are willing to accept moderate to high risk in their investments; and
- prefer capital growth rather than income over a long term period.

INVESTMENT STRATEGY

- Up to 98% of NAV (with at least 70% of NAV in equity): Investments in primarily Asian real estate securities and listed Real Estate Investment Trusts (REITs).
- 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	-7.72	-10.88	-17.32
Benchmark	-3.48	-7.31	-11.36	-22.36

	1 Year	3 Years	5 Years	Since Launch
Fund	-13.02	-8.09	13.50	17.68
Benchmark	-19.08	-23.41	0.51	-3.16

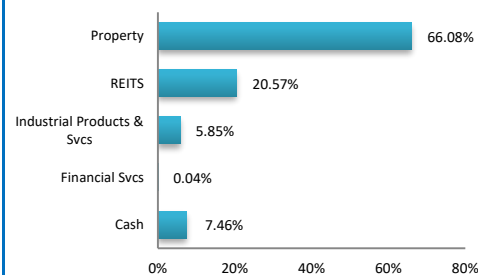
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	15.24	-3.23	22.97	0.04	20.18
Benchmark	11.96	-10.39	31.42	-0.05	11.03

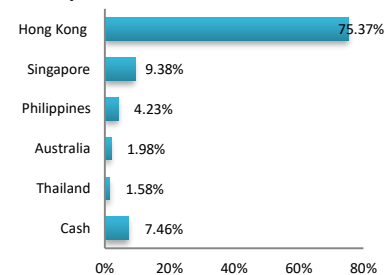
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

LINK REIT	9.21
NEW WORLD DEVELOPMENT CO LTD	9.07
SUN HUNG KAI PROPERTIES LTD	7.14
CHINA RESOURCES LAND LTD	5.97
CHINA OVERSEAS LAND & INVESTMENT	5.43

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6256	0.7212	0.7377
Low	0.5884	0.5733	0.2187

Source: Lipper IM

FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	Maybank Trustees Bhd
Fund Category	Equity Fund
Fund Type	Growth Fund
Launch Date	22 August 2007
Unit NAV	RM0.5884
Fund Size (million)	RM6.32
Units In Circulation (million)	10.73
Financial Year End	31 March
MER (as at 31 Mar 2020)	2.25%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	MSCI AC Asia-ex-Japan Real Estate 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	0.08% p.a. of NAV, subject to a min. of RM18,000 p.a.*
Switching Fee	RM25.00 per switch*
Redemption Period	Within 10 days after receipt the request to repurchase
Distribution Policy	Annually, 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.

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MANAGER'S COMMENTS

MARKET REVIEW

The China property sector saw the biggest underperformance in October year-to-date, maintaining its underperformance streak for eight months, due to EM de-risking trade, concerns on the COVID-19 outbreak again, and concerns on credit tightening are the major cause. The sector was down -16% vs MSCI China +25%. The underperformance is massive yet it was not driven by fundamentals as the earnings forecasts was broadly stable but valuations derated in terms of price-to-earnings.

The preliminary data of developers' October contracted sales was released by CRIC on 31 October. Top-100 developers' October sales registered 22%/23% yoy growth in gross/attribution terms compared to the 25%/21% growth in September. On a MoM basis, sales declined slightly by 3.6%/flat in gross/attribution terms (vs +19%/+19% in September). YTD sales growth stood at 9%/8% in gross / attribution terms for 10M20 (vs 7%/6% in gross / attribution terms for 9M20). Divergences were seen among developers are increasing with small caps growing faster than mid-caps and big-cap developers.

Minutes for the 19th Plenum Meeting was released. In line with expectations, the government did not announce any tightening for the property market, nor was there much mention of such. The focus on boosting domestic consumption means a stable property market, because the wealth effect created by gradually increasing home prices is important to support the lowering of the savings rate and increasing consumption. The aim to boost household income also involves a freer population flow within China, which will benefit the Seven-City-Cluster as they will host the most productive labor in China, hence the wealth. Listed developers have >70% landbank in such areas and will continue to outperform and gain market share. Systematic risk for the sector has continued improving, but not worsening

Meanwhile, Tianjin denied the speculation of the removal of HPR. According to local media, Guandian, there was market speculation that non-Tianjin people are eligible to enjoy the same home purchase quota as locals before obtaining Hukou in the city; the resell restriction of three years is applied.

MARKET OUTLOOK AND STRATEGY

As policy concerns were priced in with low market expectation on tight credit in September to October, we see possible value rotation into quality names. Looking forward, there are multiple catalysts ahead, including: (1) continuous strong sales in November and December; (2) marginally looser credit into year of the year; (3) increased clarity on delivery and earnings pick-up in 2H2020

Also, with a stronger macro backdrop and quick recovery in China's domestic economy, we expect home demand to remain stable. Valuations remains attractive as well. More importantly a stable property market is what the government needs to support the economic transformation during the 14th Five-Year-Plan (FYP), hence property is a marginally positive sector.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 October 2020, the Volatility Factor (VF) for this fund is 17.4 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are 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 real estate risk, foreign investment risks such as country risk and currency risk and equities investment risks such as market risk and particular security 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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