

### 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:

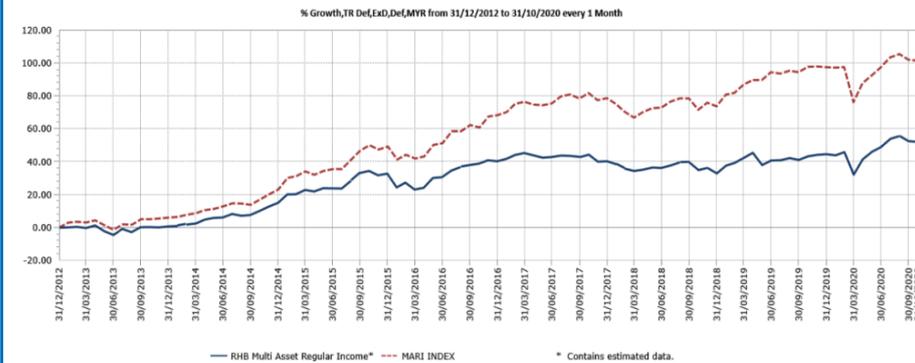
- seek regular income and capital growth over the medium to long term;
- are willing to accept moderate risk in their investments; and
- wish to benefit from investment exposure in the Asia and Asia Pacific (ex Japan) region.

#### 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	-0.30	-1.31	7.32	5.02
Benchmark	-0.27	-0.96	7.33	2.01

	1 Year	3 Year	5 Year	Since Launch
Fund	5.97	5.27	12.94	51.91
Benchmark	1.90	10.86	34.17	101.32

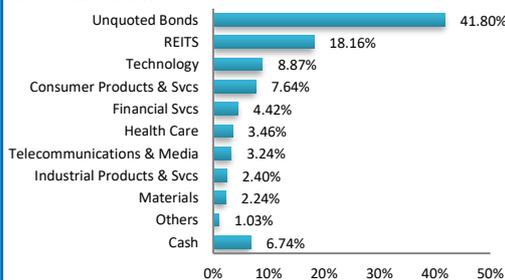
##### Calendar Year Performance (%)\*

	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

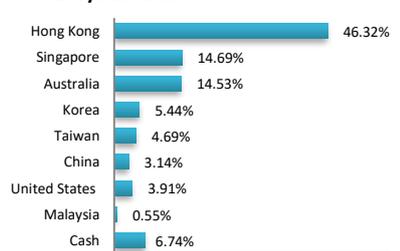
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



##### Top Holdings (%)\*

GOODMAN GROUP	5.59
JD.COM INC 3.375% (14/01/2030)	4.92
CIFIHG 7.625% (28/02/2023)	4.83
DIANJIAN HAIYU LTD @4.3% (20/12/2067)	4.71
TIME CHINA HLDG LTD 6.75% (08/07/2025)	4.62

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5637	0.5651	0.6266
Low	0.5398	0.4682	0.4636

Source: Lipper IM

##### Historical Distributions (Net)

	Distribution (sen)	Yield (%)
27 Oct 2020	0.8000	1.44
24 Jul 2020	0.8000	1.48
24 Apr 2020	0.8000	1.53
23 Jan 2020	1.0000	1.86

Source: RHB Asset Management Sdn. Bhd.

## RHB MULTI ASSET REGULAR INCOME FUND

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### MANAGER'S COMMENTS

#### MARKET REVIEW

With concerns of rising cases and rising mobility restrictions, the global equity markets fell by 2.5% in October, bringing the year to date return to negative 2.5%. Communication services (+1.8%) and utilities (+1.7%) sectors registered positive return. Energy was the worst performing sector as it fell -5.9% in the month of October. Within regions, Asia ex Japan (+2.8%) registered positive return in USD terms. US (-2.7%), Europe (-5.9%), UK (-5.2%) and Japan (-1.6%) positive negative return in USD terms.

Increasing virus numbers have pushed European governments to once again start imposing national measures. Until 1 December, people in France will only be allowed to leave their homes to buy essential goods, for medical reasons and to exercise for an hour a day. Unlike the first lockdown, however, schools and nurseries will remain open. Restrictions elsewhere remain targeted, but the direction of travel on restrictions is rapidly headed towards additional tightening. In Germany, Merkel's government will impose a partial lockdown starting 2 November, which will last for four weeks. Bars and pubs will close, while restaurants will remain open for takeaways only. Spain imposed a national curfew (11 PM-6 AM) since 25 October, while Italy shut down several services and limited operating hours for bars and restaurants for a month since 26 October. Prime Minister see England into a second lockdown on November 2, making the country the latest in Europe to impose new national restrictions.

In the US, hospitalizations have risen at least 10% over the past week. However, this time it's different – the hospitalization trend is flatter than both the initial and summer outbreak. Fiscal stimulus will have to wait until after the election. On the election front, the odds for Biden victory are increasing again. Biden plus a Democratic Senate would most likely lead to a more aggressive stimulus. Fed Chair Powell (among others) has been steadfast in his message that there cannot be a sustainable economic recovery until the virus is controlled.

On the positive side, the AstraZenica-University of Oxford vaccine has reportedly shown promising results in treatment for the elderly, but we need to wait for the phase 3 trials to get a more conclusive picture about its safety metrics. Separately, J&J's vaccine could be available for emergency use by January, assuming no surprise in the results from its latest trial, expected later this year.

The Chinese Communist Party (CCP) held the Fifth Plenum of the 19th Party Congress on October 26-29 to discuss the proposals for the 14th Five-Year Plan that runs from 2021 through 2025. The Fifth Plenum of the 19th Party Congress's key summary reiterated direction towards Quality Growth, and laid out non-numerical goals over long term (GDP per capita reaching level of mid income developed economies and expansion in mid income population), with a focus on innovation and market reform. Over next few months, NDRC will prepare more detailed draft of the 14th Five Year Plan to be submitted for final approval during the "Two Sessions" in March 2021.

In October, Asia USD bond market was marginally weaker with return of -0.10%. This was largely on the back of weaker US Treasuries which more than offset the positive contributions from credit spreads tightening. Both the 10-year and 30-year US Treasuries were up by about 20 basis points during the month as market was pricing in a 'blue wave' scenario in the 3Nov20 US presidential election. In this period, Asia investment grade outperformed Asia high yield with returns of +0.02% vs -0.49%. However, it is worth noting that the Asia high yield benchmark return was mainly due to the massive underperformance of Sri Lanka sovereign bonds (-19.65%) in October. We do not have any exposure to Sri Lanka.

#### MARKET OUTLOOK & STRATEGY

During the month, we took profit in one of the Chinese SOE bond in the portfolio and switched into another new bond issued by another Chinese SOE.

During the month, we took some profits off names that have done well, including Chinese internet names and selected Korean financials, as well as reduced our positions in names that continue to see weakness in the fundamentals. Meanwhile, we bought some Korean auto, technology, and Australian banks on recovering demand and undemanding valuations. In terms of attribution, positive value add came from our overweight positions in the Chinese internet and healthcare names post the healthy sell-off in the previous month, as well as Australian banks. On the flipside, value detractors mainly came from SREITs and real estate developers, which saw weakness on profit taking and equity raising that resulted in dilution. Nonetheless, we continue to favour the REITs in the low yield environment and potential acquisitions, as well as undemanding valuations in the real estate sector.

Results for the US presidential election and data on Phase 3 Covid vaccine trials are coming soon. 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 the virus while avoiding wide-scale shutdowns mitigate downside risk that concerned the market. While manufacturing PMI was largely flat, services PMI accelerated in October amid Golden Week spending. China is at the forefront of restarting the economy, controlling the spread and more policy space to revive activity. We will remain cautious on the ongoing US-China tensions. Overall, we remain opportunistic and prefer stocks that have a healthy balance sheet, visible earnings growth and valuations support.

#### DISCLAIMER:

Based on the fund's portfolio returns as at 10 October 2020, the Volatility Factor (VF) for this fund is 9.6 and is classified as "Low". (source: Lipper) "Low" includes funds with VF that are above 3.3 but not more than 9.6 (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 of the Fund are currency risks, country risk, regional risk, liquidity risk, default and credit risk, interest rate risk, risk of using rating agencies and other third parties, REITs management risk, real estate risk and derivative 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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