

### RHB ASIA PACIFIC FUND

This Fund aims to achieve long term capital appreciation through investments in securities of companies listed or traded in emerging and developed markets.

#### INVESTOR PROFILE

This Fund is suitable for investors who:

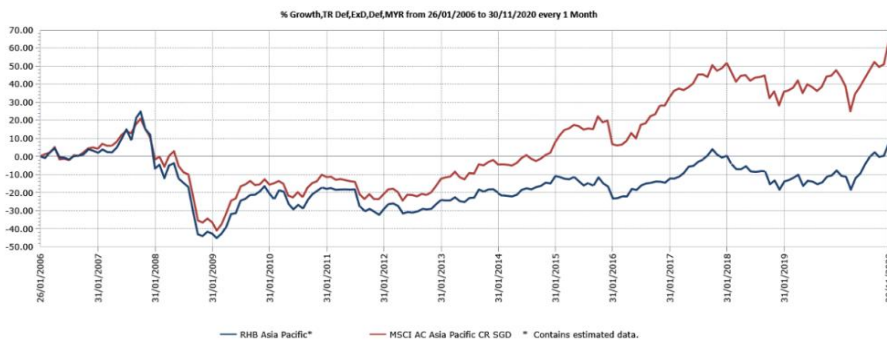
- wish to participate in the upside of the Asia Pacific markets;
- are willing to accept moderate to high risk in their investments;
- prefer capital growth rather than income over a long term period.

#### INVESTMENT STRATEGY

- Up to 98% of NAV: Investments in securities of and securities relating to companies that have high growth potential.
- 2% - 10% of NAV: Investments in liquid assets including bonds, 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	6.71	4.44	18.00	16.02
Benchmark	8.03	7.13	17.73	10.42

	1 Year	3 Years	5 Years	Since Launch
Fund	19.49	5.85	25.49	6.93
Benchmark	12.71	10.62	37.19	63.09

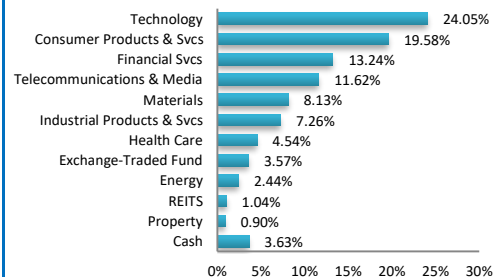
##### Calendar Year Performance (%)\*

	2019	2018	2017	2016	2015
Fund	12.94	-17.85	16.05	2.61	-1.76
Benchmark	15.15	-13.81	16.11	6.92	17.54

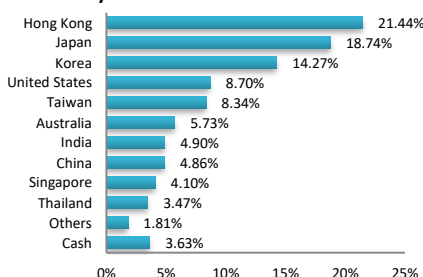
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



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

SAMSUNG ELECTRONICS CO LTD	7.52
TENCENT HOLDINGS LTD	6.68
TAIWAN SEMICONDUCTOR MANUFACTURING	6.45
NEXT FUNDS TOPIX EXCHANGE TRADED FUND	3.57
LG CHEM LTD	3.27

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.4150	0.4150	0.5975
Low	0.3815	0.2869	0.1994

Source: Lipper IM

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### MANAGER'S COMMENTS

#### MARKET REVIEW

Major bourses, boosted by positive narratives, recorded strong gains in the month of November. These include heightened vaccines optimism, relatively good US macro data (strong PMI), optimism over the Donald Trump–Joe Biden transition and Janet Yellen's nomination to become the next US treasury secretary. Asia Pacific markets as measured by the MSCI Asia Pacific an Index gained 10.2% in USD terms in the month of November. Financials and Materials were the best performing sector, gaining 15.7% and 14.3% respectively. Energy +11.8% in just a month as Brent and WTI crude gained 25.4 and 24.7 % over the month. Expectations of OPEC+ holding output cuts and declines in US crude supplies. However, the sector still underperforming year to date with a -34.3% decline. Within regions, Thailand gained 24.9%, followed by Singapore (18.5%) and Korea (+17.9%), while China (+2.8%) lagged.

Vaccine results from AstraZeneca and Oxford University brought another wave of optimism. Although this vaccine is less effective (70% efficacy) ,it seems to be a far more practical solution from a logistical point of view, as it would be easier to distribute beyond the developed markets. The AstraZeneca vaccine only needs regular refrigerator temperature, whereas Pfizer and Moderna require special freezers (-70 degree Celsius). Following encouraging trial results, the FDA is likely to approve vaccines in coming weeks. Around 60-70% of the global population will need to be inoculated in order to fully break the link between the virus and economic activity. Given the scale (world population of 7.8 billion people) and the number of vaccines being developed requiring two doses (days between two doses ranging from 14-28 days), as well as the lack of global burden coordination, we may see mass vaccination globally occurring at a gradual pace, preventing a full normalization of mobility and cross-border flows. Looking more broadly, large shares of the population are likely to be vaccinated by late Q2 in all major developed markets.

The Regional Comprehensive Economic Partnership (RCEP), the world's largest trade agreement, was signed on 15 November 2020. With its 15 members, it covers a market of 2.2 billion people and \$26.2 trillion worth of global output. This accounts for 30% of global population and economy. China, Japan and Korea, as the largest economies, are the biggest gainers from the RCEP in absolute USD terms. Japan and Korea are also the major beneficiaries amongst the 15 RCEP members as measured by the incremental percentage change in real income, followed by Malaysia, Vietnam and Thailand.

Japan (+12.5%) 3Q21 GDP grew 21.4% SAAR, higher than expected, with exports and consumption were the main drivers, with government stimulus efforts playing a large role. Japan has only clawed back about half the lost output from the pandemic, lagging most other developed economies. Growth outlook for the fourth quarter of the year is at risks along with rising virus numbers. Record levels of infections in Japan led officials to raise its virus alert to the highest level. Prime Minister Suga has already announced another round of fiscal stimulus before year-end. Market gains were led by cyclical sectors such as Materials, Information Technology and Industrials. On the other hand, defensive such as Utilities and Communication Services lagged.

China underperformed major markets. The US fired another salvo at Chinese corporates. This executive order targets 31 Chinese firms with relationships with the military. The measure prohibits US investors from buying or selling shares of these companies. Cyclical such as materials, energy and financials saw a strong rally while year to date leaders such as communication services, healthcare and consumer discretionary lagged. On 10 November 2020, China's market regulator, the State Administration for Market Regulation (SAMR), released draft Anti-Monopoly Rules aimed at internet platforms. The new draft seeks to drive healthier competition in China's platform/digital economy, better alignment of interests among merchants, consumers and platforms, as well as to foster a long-term sustainable industry growth. It comes after regulators delayed the IPO of Ant Group. Hong Kong saw a resurgence of Covid-19 cases, resulting in tightened social distancing measures. The government announced additional \$600m to support tourism industry and removed stamp duty for commercial properties. Consumer Discretionary sector surged 16.0% led by Macau gaming stocks as Gross Gaming Revenue (GGR) continued to see improvements ahead of visitation trends. Real Estate and Financials also outperformed, on Covid-19 vaccine related normalization.

The bank of Korea expected left rates unchanged but is less dovish on its growth outlook due to better exports outlook. Korea's performance mirrored global markets, whereby cyclical sectors such as Energy and Materials outperform. Industrials gained as the Korean shipbuilding industry received the largest volume of new orders for the fourth straight month. Healthcare gains are led by Samsung Biologics as it announced strategic manufacturing partnership with Eli Lilly to produce Covid-19 antibody therapies. Taiwan Index rose to its all-time high, driven by Technology sector. TSMC gained on strong demand outlook, and lifted share-prices of second-tier foundries on secondary benefits of capacity tightness.

Australia as measured by MSCI Australia gained 15.6%. The Reserve Bank of Australia cut cash rates to a record low of 0.10%. The Australian dollar gained +4.5%, the best performing currency in the region. Covid-19 reopening theme was in focus. Energy (+33.3%), outpacing gains in Oil prices. Travel and Retail REITs also did well. India (+8.5%) as focus was on gradual opening of the economy. The number of Covid cases continue to decline following its peak in September. India's 3Q20 GDP declined 7.5%, an improvement from a 23.9% decline in 2Q20. Foreign institutional investors recorded its highest monthly inflows of US\$ 8.3 billion into the Indian equities market. Cyclical sectors such as Financials, Industrials and Consumer Discretionary led gains, while Energy was the only sector that recorded negative returns.

ASEAN markets picked up during the month of November. Thailand and Singapore were standouts, Indonesia (+14.8%), Philippines (+7.6%) and Malaysia (+7.2%) also recorded significant gains. Financials reported strong gains over the month, with the sector surging 33.3% and 24.9% in Indonesia and Thailand.

Philippines' President Rodrigo Duterte has extended the implementation of general community quarantine (GCQ) in Metro Manila for the entire upcoming month of December. Philippines' Senate approved the third and final reading of the PHP4.5trillion national budget for 2021, progressing the country's plans to open its fiscal pumps to drive economy recovery in 2021. The Indonesian government announced that it expects to complete the ratification of the comprehensive economic partnership agreement with Iceland, Lichtenstein, Norway and Switzerland by early-2021, which will help benefit Indonesia benefit from increase investment and trade between Indonesia and member European countries.

Singapore reported lower headline CPI inflation, as it was reported in late-November 2020 that CPI inflation declined 0.2% YoY in October 2020. Inflation came in lower than consensus expectations and MAS core inflation also edged down 0.2% in the same period. It was also reported in late-November 2020 that Singapore's system loan growth contracted again during month of October 2020, dragged down by a continued slump in business loans. In terms of sectors, Consumer Discretionary, Financials and Communication Services reported gains of more than twenty percent.

Malaysia's govt. announced in November-2020 that it implemented an automatic moratorium on loan repayment, specifically for the bottom 40% income group and micro as well as SMEs. At the same time, the govt. signalled its intention to enforce the Conditional Movement Control Order (CMCO) strictly, warning that companies which fail to comply with stipulated standard operating procedures during the CMCO phase will face immediate revocation of their operating permits as well as legal action. Malaysia's market lagged as Healthcare stocks corrected amidst positive Covid-19 news.

Thailand recorded a current account surplus of USD0.99billion in October-2020 according to Bank of Thailand. At the same time, the Bank of Thailand will also hold an official briefing on 9th December 2020 to unveil additional measures to contain the strength of the Thai Baht. Finance Minister of Thailand has revealed that it expects Bank of Thailand to take "further strict" steps to restrain the Thai Baht but policy makers are unlikely to impose outright capital controls.

#### MARKET OUTLOOK AND STRATEGY

Vaccine from AstraZeneca and Oxford University not only can be stored in normal refrigerator, it also has a longer storage life of at least 6 months, allowing more time for distribution. This poses positive vaccine hopes to the emerging markets, where logistics and storage capabilities may be limited, and would help to sustain the rotation play into the underperforming emerging markets which are very lightly owned. This positive development encourages us to add to Asean region which has underperformed for much of the year. This is funded through China. While we remain positive to China, which is at the forefront of restarting the economy, controlling the spread and has more policy space to revive activity. However, the ongoing US-China tensions will cap relative returns.

We have moved our strategy more value names and reopening plays as more news of positive progress of vaccine efficacy emerges. The portfolio continues to be positive on structural demand shifts such as gaming, e-commerce and foundries. Such companies are found in North Asian markets of China, Korea and Taiwan and have ample policy supports.

#### DISCLAIMER:

Based on the fund's portfolio returns as at 10 November 2020, the Volatility Factor (VF) for this fund is 12.9 and is classified as "Moderate". (source: Lipper) "Moderate" includes funds with VF that are above 9.6 but not more than 12.8 (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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