

RHB ASIAN INCOME FUND MULTI CURRENCIES - EUR HEDGED CLASS

The Fund aims to provide income and capital growth over the medium to long-term^ by investing in one (1) target fund, i.e. the Schroder Asian Income.

Note: *"medium to long term" in this context refers to a period of between 3 – 10 years.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the class X units of the Target Fund.
- 2% - 5% of NAV: Investments in liquid assets including money market instruments and Placements of Cash.

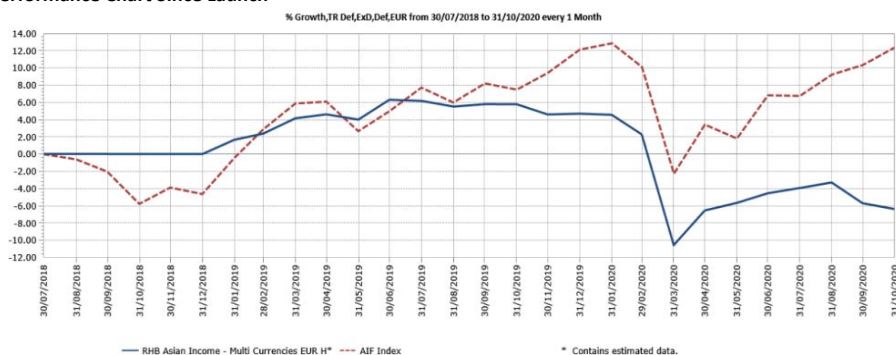
INVESTOR PROFILE

This Fund is suitable for:

- 'Sophisticated Investor(s)' as defined in the Information Memorandum.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	-0.71	-2.53	0.19	-10.55
Benchmark	1.86	5.28	8.66	0.24

	1 Year	Since Launch
Fund	-11.47	-6.36
Benchmark	4.57	12.39

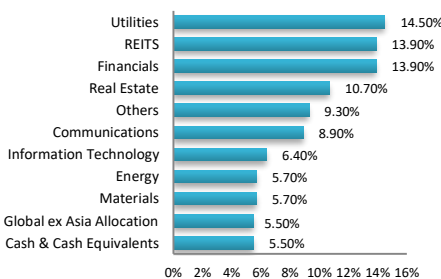
Calendar Year Performance (%)*

	2019
Fund	4.69
Benchmark	17.56

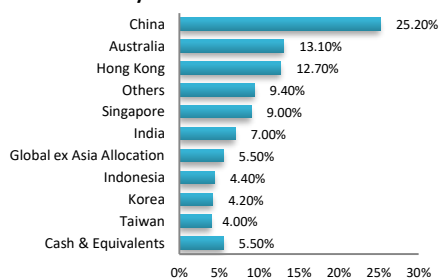
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

HK ELECTRIC INVESTMENTS UNITS LTD	2.60
AUSNET SERVICES LTD	2.30
NOVATEK MICROELECTRONICS CORP	1.70
POWER ASSETS HOLDINGS LTD	1.60
POWER GRID CORPORATION OF INDIA LT	1.40

*As percentage of NAV

*Source: Schroder, 31 October 2020. Exposure in Schroder Asian Income - 97.51%

FUND STATISTICS

Historical NAV (EUR)

	1 Month	12 Months	Since Launch
High	0.9261	1.0565	1.0769
Low	0.8923	0.8333	0.8333

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
27 Oct 2020	0.8000	0.87
24 Jul 2020	1.0000	1.08
24 Apr 2020	1.0000	1.04
23 Jan 2020	0.7500	0.72

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS
MARKET OVERVIEW

Asian equities posted a positive return and outperformed their developed peers. Indonesia was the best performing market, as parliament delivered a number of labour market and tax reforms. China was boosted by the performance of internet companies as well as positive Q3 earnings surprises. On the other hand, Singapore underperformed while Thailand and Malaysia also lagged behind. In fixed income, the 10-year US Treasury yield rose 19bps while corporate bonds outperformed thanks to high yield.

MARKET STRATEGY AND OUTLOOK
Equity

Over the month, the Target Fund Manager introduced a new position in a Taiwan semiconductor company as they expect further demand for smartphones and 5G to boost revenue. The company's growth is projected to continue over the medium term, given its leading technology capabilities and comprehensive 5G portfolio compared to peers. The Target Fund Manager also initiated a new A-shares position in a duty-free retailer which should benefit from the continuous recovery of domestic travel. The Target Fund Manager anticipates the company to maintain a leading market share thanks to its advantages in business scale, supply chain and prime store locations. On the other hand, the Target Fund Manager closed their position in an Australia bank given the ongoing headwinds of diminishing lending and narrowing net interest margin. The Target Fund Manager also exited an Australia infrastructure name which operates urban toll road networks given risks of further lockdowns and lesser demand for traffic.

From a style perspective, the Target Fund Manager believes that maintaining the exposures to growth and technology remains a viable approach given the momentum and the acceleration of trends triggered by Covid-19, but they also believe that balancing that with some exposures offering leverage to the normalization of the economy post-pandemic with cheap valuation should help reduce risks given the expectation of sector/style rotation over the medium term. Overall, the Target Fund Manager continues to stress the importance of selectivity. Not every stock which have rallied hard present risks, as some are backed by actual increase in structural growth, but there are also some which rose largely due to investors' optimism and lack fundamental support. Picking the former and avoiding the latter is increasingly important in the current market environment.

Fixed Income

In fixed income, the strategy is to improve diversification by adding to “new economy” sectors such as technology and internet names, while reducing exposures to the traditional sectors given the resurgence of the virus in the northern hemisphere. With that the Target Fund Manager added to several new issues, including a Taiwan electronics producer which is likely to benefit from the heightened commercial and consumer demand for computer hardware amid working-from-home. The Target Fund Manager also added to a Chinese internet platform that sells consumer products. The strong efficiency improvements of its food delivery segment should help lift operating profit while its diversification into the grocery business should also perform well. Elsewhere, the Target Fund Manager took profit from their holdings in a Philippines real estate developer after its strong performance and also trimmed some Middle East names given the recent volatility in oil prices. Overall, duration remained largely at 2.2 years.

For fixed income, valuations remain historically expensive with flat curves and low yields, though the Target Fund Manager maintains a positive view on credit in spite of valuations that begin to look stretched. The outlook for the extent of lockdowns and vaccine prospects are likely to be key drivers. Within the Target Fund Manager's portfolio, the Target Fund Manager will continue to take part in selective attractive deals. In regard to EM and local markets, the Target Fund Manager higher quality corporate credits based on more favourable valuations and a weaker US dollar.

DISCLAIMER:

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 Information Memorandum dated 10 July 2018 and its supplementary(ies) (if any) (“collectively known as the Information Memorandum”) before investing. The Information Memorandum 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 Information Memorandum 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 Information Memorandum relates will only be made on receipt of a form of application referred to in the Information Memorandum. The Fund are only offered to “sophisticated investors” as defined in the Information Memorandum. For more details, please call 1-800-88-3175 for a copy of the PHS and the Information Memorandum 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 management risk, liquidity risk, currency risk and country risk and the specific risks of the target fund are market risk in Asia, equity risk, currency risk, credit risk, investment grade, below investment grade and unrated debt securities risk, risks relating to distributions, emerging markets and frontier risk, derivatives risk, risks associated with investing through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively and individually referred to as the “Stock, Connect”), risk associated with investing in the China interbank bond market, risks specific to China and onshore RMB currency risk. These risks and other general risks are elaborated in the Information Memorandum.

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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