

RHB ASIAN INCOME FUND

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

INVESTOR PROFILE

This Fund is suitable for Investors who:

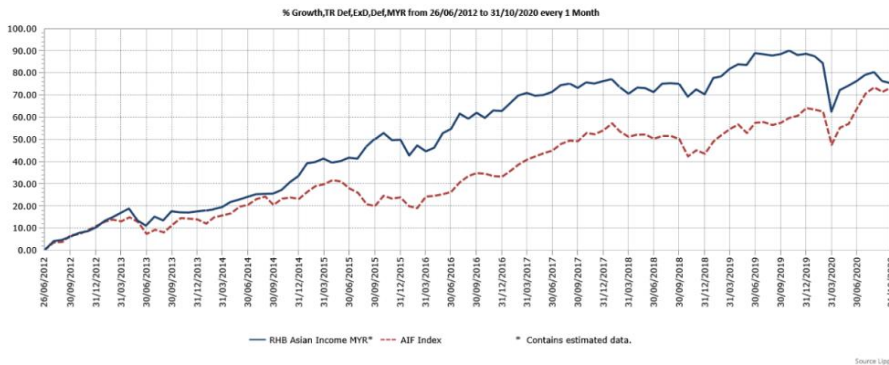
- seek income and capital growth over the medium to long term;
- have moderate risk appetite; and
- seek investment opportunities in the Asian region.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the units of Schroder AI.
- 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	-0.54	-2.18	1.76	-7.09
Benchmark	1.17	1.63	11.67	5.66

	1 Year	3 Years	5 Years	Since Launch
Fund	-7.80	-0.21	14.64	75.20
Benchmark	8.57	13.46	39.10	73.39

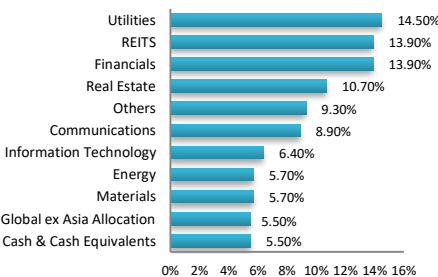
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	10.72	-3.30	8.25	8.62	12.25
Benchmark	14.26	-6.81	15.65	7.53	0.51

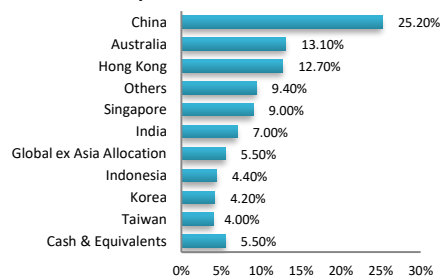
Source: Lipper IM

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 - 96.48%

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5911	0.6542	0.6836
Low	0.5698	0.5246	0.5000

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
27 Oct 2020	0.6000	1.02
24 Jul 2020	0.8000	1.37
24 Apr 2020	0.8000	1.34
23 Jan 2020	0.8000	1.24

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:

Based on the fund's portfolio returns as at 10 October 2020, the Volatility Factor (VF) for this fund is 9.4 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 Prospectus dated 6 October 2017 and its supplementary(ies) (if any) ("collectively known as the Prospectus") before investing. The 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 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 Prospectus relates will only be made on receipt of a form of application referred to in the Prospectus. For more details, please call 1-800-88-3175 for a copy of the PHS and the 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 market risk in asia, credit risk, investment grade, below investment grade and unrated debt securities risk, risks relating to distributions, emerging markets and frontier risk and derivatives risk. These risks and other general risks are elaborated in the 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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