

RHB CHINA BOND FUND - GBP HEDGED CLASS

The Fund aims to maximise total return by investing in one (1) target fund.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the RMB denominated class I6 units of the Target Fund.
- The balance of the NAV: Investments in liquid assets including money market instruments, Deposits and collective investment schemes investing in money market instruments and Deposits.

INVESTOR PROFILE

 This Fund is suitable for:
 • ‘Sophisticated Investor(s)’ as defined in the Information Memorandum.

FUND PERFORMANCE ANALYSIS

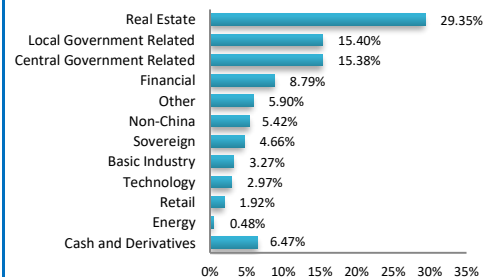
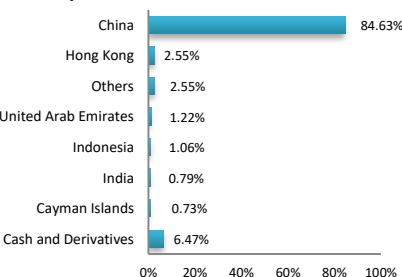
There is no performance record as the Fund launched less than 1 year.

FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	CIMB Commerce Trustee Bhd
Fund Category	Wholesale Feeder
Fund Type	Growth Fund
Launch Date	23 October 2019
Base Currency	RMB
Unit NAV	GBP1.0567
Fund Size (million)	GBP1.55
Units In Circulation (million)	1.47
Financial Year End	31 August
MER (as at 31 Aug 2020)	0.20%
Min. Initial Investment	GBP1,000.00
Min. Additional Investment	GBP500.00
Benchmark	1-year China Household Savings Deposits Rate Index
Sales Charge	Up to 3.00% of investment amount*
Redemption Charge	None
Annual Management Fee	Up to 1.20% p.a. of NAV*
Annual Trustee Fee	Up to 0.04% p.a. of NAV*
Switching Fee	GBP 10.00 per switch*
Distribution Policy	Incidental

*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.

FUND PORTFOLIO ANALYSIS
Sector Allocation*

Country Allocation*

Top Holdings (%)*

YINCHUAN TONGLIAN CAPITAL INVESTME RegS 4.45 06/10/2023	1.20
CCCI TREASURE LTD RegS 3.425 12/31/2049	1.15
COASTAL EMERALD LTD RegS 4.3 12/31/2049	1.05
GUANGXI FINANCIAL INVESTMENT GROUP RegS 5.75 01/23/2021	0.97
OVERSEAS CHINESE TOWN (ASIA) HOLDI RegS 4.5 12/31/2049	0.90

*As percentage of NAV

*Source: Black Rock, 31 October 2020. Exposure in BlackRock Global Funds - China Bond Fund - 96.15%

FUND STATISTICS
Historical NAV (GBP)

	1 Month	12 Months	Since Launch
High	1.0606	N/A	1.0645
Low	1.0522	N/A	0.9757

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
26 Aug 2020	1.0000	0.95
28 May 2020	1.0000	0.97

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS
TARGET FUND'S PORTFOLIO ACTIVITY

With the US election outcome yet to be confirmed and several battleground states still too close to call, it's important to use the opportunity to learn and be humble; regardless of outcome, the Target Fund Manager continues to focus on delivering stable income with low vol and low drawdown by taking a balanced approach between onshore VS offshore allocation. The Target Fund Manager expects less fiscal stimulus package and this implies "lower for longer" interest rate in US. Search for income and returns will intensify further and global investors will have to go outside of core markets for income and diversification and China credit will be the big winner of the flows going forward.

Over the month, the Target Fund Manager has increased their onshore exposure slightly to 30% through onshore rates bond and high quality IG credit ahead of election as part of the hedging strategy. The Target Fund Manager has increased their HY exposure from 31% to 33% in the second half of the month to take advantage of the market volatilities mainly through offshore property names where they continue to hold a constructive view on back of solid fundamentals and attractive valuations.

The underlying portfolio remains income-focused with a yield of 7.1% with an average investment grade rating. The Target Fund Manager sees portfolio resilience and credit quality increasing in importance for investments in the coming months. The Target Fund Manager's portfolio has been resilient, exhibiting low drawdowns amidst the volatility associated with the coronavirus given the diversification between the onshore and offshore Chinese bond markets.

TARGET FUND'S POSITIONING

With the Biden administration, foreign policy will have a higher likelihood of going back to the traditional way of managing it rather than on twitter and bring some stability and predictability back. In particular, the Target Fund Manager expects more room for negotiation and potential dialogue between US and China even if the trade tension remains.

The Target Fund Manager is constructive over the offshore China USD credit in general over the remaining two months of the year and are looking to add risk there (by increasing their offshore exposure to 75%) to take advantage of the relief-rally post US election. The Target Fund Manager continues to remain constructive on the offshore China USD credit market in general on back of ample liquidity supported by monetary easing across global central banks, strong technicals given search for income and attractive valuations compared to global counterparts.

Within HY:

The Target Fund Manager is positive on China HY property. Demand nationwide has improved since the start of March. As China's property sector entered its golden season, the government has introduced regulations to cool down the sector, such as the "3 red lines" to ensure leverage in the system is being controlled. This is equity negative but bond positive. This will force the sector to deleverage from here, which can be seen as a good development for the sectors' credit profile over the long run. Within the China HY Property sector, the Target Fund Manager is mainly positive on larger issuers with more manageable leverage and more diversified funding channels.

The Target Fund Manager is selective on onshore short-dated industrial names with strong fundamentals for diversification. Valuations also become more attractive compared to offshore space.

Within IG:

The Target Fund Manager is positive on China state owned enterprises (SOEs). The ramping up of fiscal stimulus onshore means infrastructure spending to boost the economy, which should be beneficial for these companies. The Target Fund Manager is selective on central SOEs across both onshore and offshore given valuations are comparable at the moment. The Target Fund Manager prefers offshore LGFV offshore names given valuations still look attractive at the moment. Besides, the NDRC quota control means the supply pressure is limited. As the Target Fund Manager goes into local SOEs, LGFVs, they have to assess both the systematic importance of the entity and also the fundamentals of the corporate.

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 15 May 2019 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 investor" 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, country risk and currency risk and the specific risks of the target fund are fixed income transferable securities risk, emerging market risk, restrictions on foreign investments risk, portfolio concentration risk, bond downgrade risk, sovereign debt risk, distressed securities risk, contingent convertible bond risk, credit risk of issuers, liquidity risk, currency risk, derivatives risk and securities lending 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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