

RHB GOLDEN DRAGON FUND

This Fund aims to maximise total returns through a combination of long term growth of capital and current income.

INVESTOR PROFILE

This Fund is suitable for Investors who:

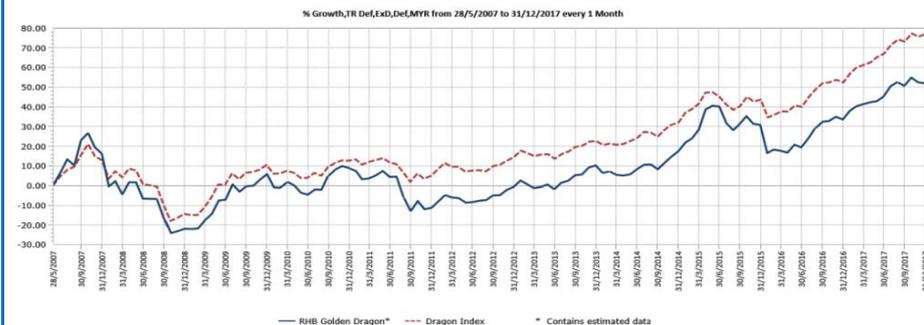
- are conservative and yet wish to participate opportunistically in the potential of the fast growing Greater China markets;
- seek a flexible investment mandate capable of capitalising and adapting to prevailing market conditions;
- are willing to accept moderate risk in their investments in order to achieve long term capital growth and income.

INVESTMENT STRATEGY

- 30% - 70% of NAV: Investments in securities of & securities relating to companies whose businesses are in the Greater China (i.e. the People's Republic of China, Hong Kong SAR and Taiwan) & are listed on the Greater China markets and/or other markets.
- 30% - 70% of NAV: Investments in Malaysian fixed income securities, money market instruments, cash and deposits with financial institutions.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	-0.38	0.78	4.57	13.68
Benchmark	0.87	2.27	6.02	16.20

	1 Year	3 Years	5 Years	Since Launch
Fund	13.68	29.16	52.83	51.86
Benchmark	16.20	34.11	54.63	77.12

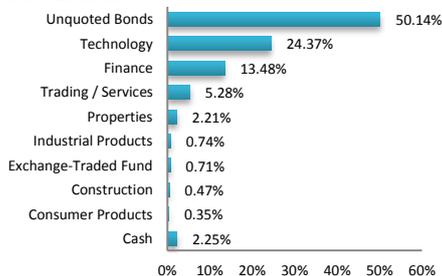
Calendar Year Performance (%)*

	2017	2016	2015	2014	2013
Fund	13.68	2.02	11.36	6.55	11.05
Benchmark	16.20	6.02	8.85	7.76	7.00

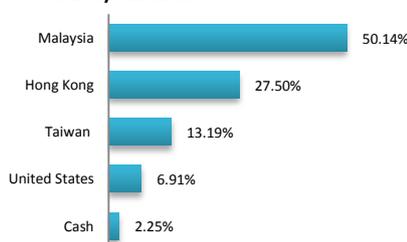
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

MEX II SDN BHD	6.2% (29/04/2032)	12.25
ALPHA CIRCLE	5.30% (23/02/2021)	7.96
TENCENT HOLDINGS LTD		7.24
ALPHA CIRCLE-5.6%	(18/11/2022)	6.67
TAIWAN SEMICONDUCTOR MANU CO LTD		5.82

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5463	0.5634	0.6106
Low	0.5346	0.4787	0.3026

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)	Yield (%)
31 Dec 2017	-	-
28 Dec 2016	3.6000	7.51
16 Dec 2015	4.5750	8.24
31 Dec 2014	-	-
31 Dec 2013	-	-

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

MARKET REVIEW

Global equities ended mixed in December. Developed market equities ended higher, led by the rally in the US as investors cheered the passing of the US tax reform. Although the US long-end treasury yield spiked after the tax reform, investors still welcomed the Fed's dovish tone on interest rate outlook, which underpinned investment sentiment in equities. ASEAN equities, being the laggards throughout the year, posted a relief rally in December. On the other hand, Greater China equities suffered from profit taking and easing macro data.

China equities fell amidst volatility in December. With less southbound fund inflow, the market showed healthy sector rotation. Investors took profit on pricey new-economy sectors, such as tech hardware and internets. Old economy sectors remained relatively resilient. At the Central Economics Work Conference (CEWC) concluded on mid-December, China's top leadership confirmed the continuation of prudent and neutral monetary policy and proactive policy in 2018. Such policy tone had been widely expected which posted neutral impact on the equity market. On the macro side, economic data showed a mixed signal. Manufacturing (Purchasing Managers' Index) PMI picked up to 51.8 in November, reaching its second-highest level in 2017. The output and new orders sub-indices led the increase, going up to 54.3 and 53.6 respectively, indicating domestic manufacturing activity remained strong. In contrast, industrial profit growth continued to moderate in November, falling to 14.9% year-on-year from 25.1% in October.

Taiwan equities ended flat amidst very volatile sessions during the month. Tech sector was hardest hit throughout the month as Apple may have cut its first quarter 2018's sales forecasts for iPhoneX by 40% to 30 million units. Meanwhile, some handset bellwethers revised down their monthly sales forecast to reveal weaker-than-expected mid-end smartphone demand in China. Before the end of the year, window dressing activity turned up, erasing most of the earlier lost ground for the broad market.

MARKET OUTLOOK AND STRATEGY

We hold our long-term positive view over China equities. Our view built on plenty liquidity and strong earnings growth prospects remains unchanged. However, as discussed in the preceding commentary notes, higher degree of market volatility has really kicked in, and we expect such volatility to extend into the first quarter next year. We still believe earlier clampdown of shadow banking by the central government is only an ongoing deleverage measure, but it would keep restraining the southbound fund flow in the near term. We maintain our positive view over old economy names such as financial sector in view of the improvement in loan asset quality, better new business value margins and still undemanding valuation. The basic material and machinery sectors, in the longer term, will continue to benefit from ongoing supply-side reforms, while near term pressure would be derived from the weaker fixed asset investment data. For the new economy sector like internet, earnings growth outlook remains brisk while valuation still looks demanding. We therefore only suggest bargain hunting and selection of high-quality, industry leader names that could enjoy multiple years of earnings growth.

We maintain our neutral view over Taiwan equities. The downward revision of Apple's iPhone shipment and weaker-than-expected handset sales in China will remain the major drag on the overall market. Nonetheless, the sharp share price correction has largely priced in the negative factor, in our view. Until new product offerings and likely improved production to kick in during the second half of next year, we will hold a neutral on Apple's supply chain names. At the same time, we see fair valuation on Taiwan equity market while foreign fund inflow remains weak for the non-tech sector, and we believe the recent rebound in petrochemical sector will fail to buoy the overall investment sentiment. We now prefer insurance names, which are set to benefit from rising US interest rate.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 December 2017, the Volatility Factor (VF) for this fund is 11.2 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are more than 10.7 (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 2017 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 2017.

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 PHS and the contents of the Master Prospectus dated 3 September 2017 and its supplementary(ies) (if any) ("the Master Prospectus") before investing. The Master Prospectus has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. 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.

The Manager wishes to highlight the specific risks of the Fund are restrictive geographical market, interest rate risk, credit and default risk, foreign investment risks such as country risk and currency risk and equities investment risks such as market risk and particular security risk. These risks and other general risks are elaborated in the Master Prospectus.

This 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.