RHB Asset Management

FUND FACTSHEET – FEBRUARY 2018

All data expressed as at 31 January 2018 unless otherwise stated

3-year Fund Volatility 11.2 very high Lipper Analytics 15 JAN 2018

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:

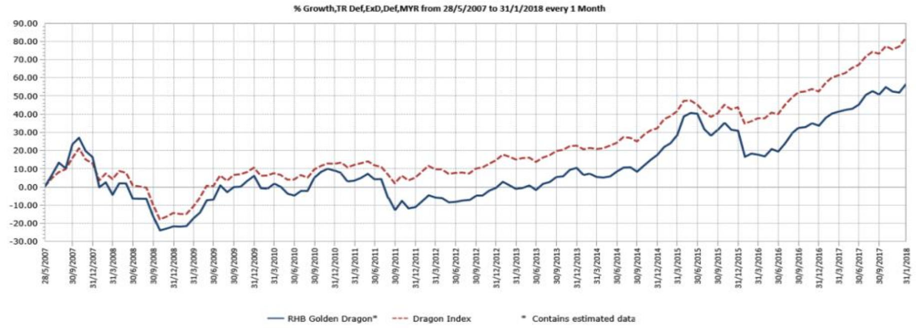
- are conservative and yet wish to participate opportunistically in the potential of the fast growing Greater China markets;
- seek a flexible investment mandate capable of capitalising and adapting to prevailing market conditions;
- are willing to accept moderate risk in their investments in order to 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	**3.14**	**1.15**	**4.08**	**3.14**
Benchmark	2.85	2.72	6.25	2.85

	1 Year	3 Years	5 Years	Since Launch
Fund	**13.55**	**28.49**	**52.52**	**56.63**
Benchmark	16.01	32.74	54.82	82.16

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 DETAILS

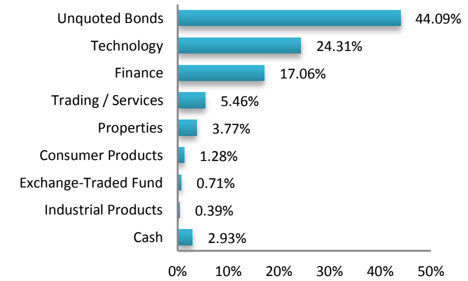
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Equity / Bond Fund
Fund Type	Growth and Income Fund
Launch Date	08 May 2007
Unit NAV	RM0.5613
Fund Size (million)	RM38.16
Units In Circulation (million)	67.99
Financial Year End	31 December
MER (as at 31 Dec 2016)	2.19%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	50% MSCI Golden Dragon Index (RM) + 50% RAM qs MGS 3-7 (medium)
Sales Charge	Up to 5.26% of investment amount*
Redemption Charge	None
Annual Management Fee	1.80% p.a. of NAV*
Annual Trustee Fee	Up to 0.08% p.a. of NAV*
Switching Fee	RM25.00 per switch*
Redemption Period	Within 10 days after receipt the request to repurchase
Distribution Policy	Annually, if any

**The implementation of GST will be effective from 1 April 2015 at the rate of 6% and the fees or charges payable is exclusive of GST.*

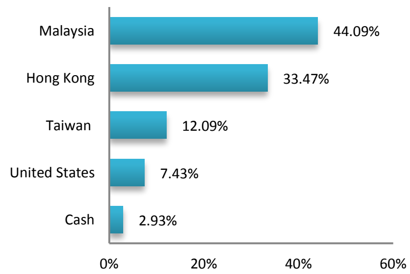
**For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

MEX II SDN BHD 6.2% (29/04/2032)	12.13
ALPHA CIRCLE 5.30% (23/02/2021)	7.86
TENCENT HOLDINGS LTD	7.84
ALPHA CIRCLE 5.6% (18/11/2022)	6.59
TAIWAN SEMICONDUCTOR MANU CO LTD	6.19

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5679	0.5679	0.6106
Low	0.5442	0.4933	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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RHB GOLDEN DRAGON FUND

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MANAGER'S COMMENTS

MARKET REVIEW

Global equity market surged in January, kicking off to a good start in 2018. US equities hit all-time high led by the Dow and tech-laden Nasdaq Composite. Investors were cheered that President Donald Trump appeared to take a more positive tone on international trade. A weakening US dollar which boosts overseas profits of US corporations, and a strong global economy were also powering stocks higher. US government reported GDP growth of 2.6% in the fourth quarter of 2017, and while that fell short of the 3% estimate, the reading was still strong. Bond prices fell with the 10-year Treasury yield broke above 2.7%. Crude oil also hit above $70 a barrel, the first time since 2014, supported by OPEC-led supply curbs.

China equities rallied to historic highs and become the top performers among global equities in January. The economic tailwind, alongside with strong currency, directed fund flow into the China stocks. The benchmark Hang Seng index managed to rise above the 33,000 mark and to surpass its 2007 peak. China H-Shares continued to outperform the broader market partially due to the southbound inflow, narrowing the price gap between A and H shares. Sector-wise, old economies names like banking, insurance and property continued to outperform. On the macro side, China’s economy expanded at 6.8% in the last quarter of 2017, beating consensus forecast of 6.7% and lifted the full-year growth rate to 6.9%. This was well above policymaker’s full year target of 6.5%, and also marked the first economic upswing observed since the country’s growth rate peaked in 2010. In addition, pre-tax profit growth of industrial enterprises came to 21.0% for the full-year 2017, the highest reading since 2012, and was 12.5 percentage-points higher than that for 2016.

Taiwan equities also ended higher in January, only slightly lagged behind their Greater China peers. The rally was mainly led by tech names such as foundries and LCD panel makers. However, Apply supply chain related companies were still under pressure as some brokers expected that the production of iPhone X will soon be suspended on weaker-than-expected of demand. Non-tech names such as textile and petrochemicals edged higher but still underperformed the broad market, dragged by the strengthening Taiwan dollar which bodes ill to overseas profit.

MARKET OUTLOOK AND STRATEGY

We hold our long-term positive view over China equities. Unarguably, the sharp rally in only one month’s time had already sent the broad market into a technically overbought situation. Also, the sharp rising US treasury yield indicates that global risky assets, including China equities, have to be re-priced for higher inflation expectation and so higher cost of capital. Hence, market correction seems inevitable. However, it does not change our positive fundamental view over the long term. Our view built on plenty liquidity and strong earnings growth prospects remains unchanged. 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. Property sector are also in better shape on the back of strong sales growth outlook for this year given abundant saleable resources. 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 sectors like internet, the currently high valuation will refrain them from being further re-rated, but the structurally high earnings growth potential will still enable them to be the market-performer. We therefore only suggest bargain hunting on industry leader names that could enjoy obvious market share gain.

We maintain our neutral view over Taiwan equities. We see fair valuation on Taiwan equity market while foreign fund inflow remains weak for the non-tech sector. For tech sector, we uphold our view that Apple’s iPhone shipments and weaker-than-expected handset sales in China will remain the risk factor in the near term, as market now expect China handset demand could bottom-out as early as in the second quarter this year or even later. Nonetheless, the sharp price correction has largely priced in such negative factor. We now only favour the handset component or foundries names still enjoying potential uplift in dollar content from the upcoming iPhone series. We also prefer insurance names, which are set to benefit from rising US interest rate.