RHB Asset Management

FUND FACTSHEET – MARCH 2018

All data expressed as at 28 February 2018 unless otherwise stated

3-year Fund Volatility 34.1 very high Lipper Analytics 15 FEB 2018

RHB GOLD AND GENERAL FUND

This Fund aims to achieve returns on investment mainly in securities of corporations (whether or not listed on any stock exchange, and in any part of the world) whose business (in any part of the world) is or is substantially in the mining or extraction of gold, silver or precious metals (e.g. platinum, palladium, rhodium etc.), bulk commodities (e.g. coal, iron ore, steel etc.), base metals of all kinds (e.g. copper, aluminium, nickel, zinc, lead tin etc.), and other commodities (e.g. industrial minerals, titanium dioxide, borates etc.) and it includes the mining or extraction of oil, gas, coal and alternative energy or other commodities or other minerals.

INVESTOR PROFILE

This Fund is suitable for Investors who:

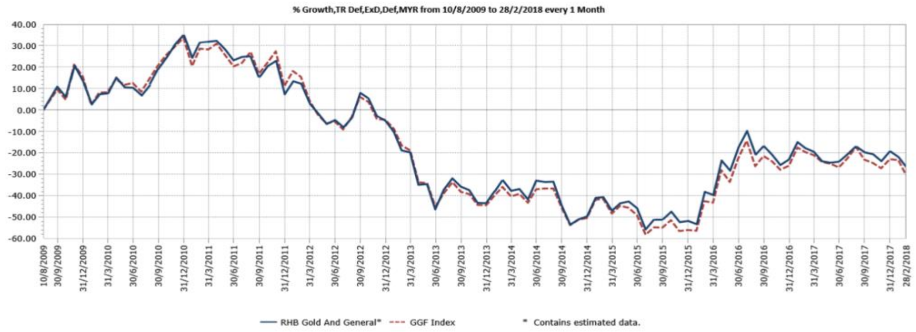
- wish to participate in the potential benefits derived from investment in companies involved in the mining and exploration of precious metals, energy or base metals;
- wish to diversify their investment portfolio from traditional asset classes; and
- are willing to accept a higher risk in their investments to obtain potentially higher returns in the long term.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the units of United Gold and General Fund.
- 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	**-5.98**	**-3.62**	**-11.51**	**-9.21**
Benchmark	-9.04	-4.28	-15.71	-9.48

	1 Year	3 Years	5 Years	Since Launch
Fund	**-10.56**	**24.11**	**-9.30**	**-26.51**
Benchmark	-13.26	19.23	-16.45	-30.18

Calendar Year Performance (%)*

	2017	2016	2015	2014	2013
Fund	**5.32**	**59.38**	**-4.01**	**-10.92**	**-40.59**
Benchmark	4.07	68.12	-11.34	-10.72	-41.64

Source: Lipper IM

FUND DETAILS

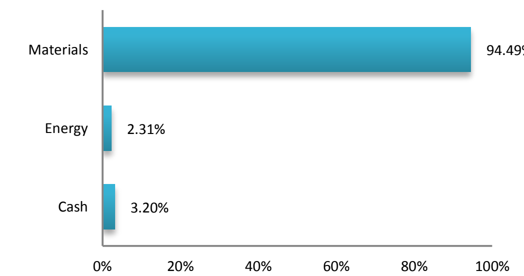
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Feeder Fund
Fund Type	Growth Fund
Launch Date	21 July 2009
Unit NAV	RM0.2769
Fund Size (million)	RM186.12
Units In Circulation (million)	672.16
Financial Year End	30 June
MER (as at 30 June 2017)	0.55%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	70% FTSE Gold Mines Index (RM) + 30% HSBC Global Mining Index (RM)
Sales Charge	Up to 5.50% 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	None

**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.*

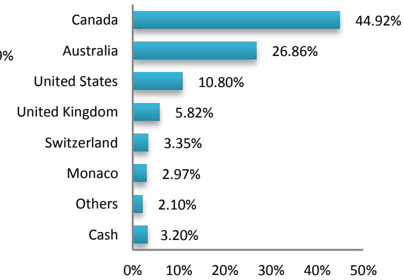
**For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

NEWMONT MINING CORP	9.01
TECK RESOURCES LTD	5.07
EVOLUTION MINING LTD	4.44
NORTHERN STAR RESOURCES LTD	3.93
OCEANAGOLD CORP	3.67

**As percentage of NAV*

**Source: UOBAM, 28 February 2018. Exposure in United Gold & General Fund - 95.99%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.2945	0.3282	0.6393
Low	0.2748	0.2722	0.1622

Source: Lipper IM

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MANAGER'S COMMENTS

MARKET REVIEW

Physical gold started February 2018 at US$1,345/oz and weakened in the early part of the month, reaching US$1,312.oz on 9 February 2018. This sell-off coincided with general market nervousness caused by a sudden spike in volatility, equity margin calls and rumours of distressed sellers. The gold price declined in the general market sell-off but subsequently recovered with safe-haven buying, climbing to an intra-month high of US$1,353/oz on 15 February 2018. However, the gold price then started to weaken again as positive economic data helped investor confidence, and as investors started to focus on a probable increase in US interest rates in March 2018. The gold price eventually finished the month lower at US$1,318/oz.

The equity market correction in the early part of February 2018 was sharp but also relatively short-lived as investors realised that global macroeconomic fundamentals remained positive, and the inflationary outlook relatively benign. The Federal Open Market Committee (FOMC) minutes released mid-month continued to point to multiple US interest rate hikes this year. Fed Chairman Powell's testimony to Congress on 28 February was upbeat, with Powell expressing confidence in US growth prospects and that inflation would reach the Fed's 2.0% target.

While US interest rates are expected to rise this year, the key question remains whether rates are increased in response to inflation, or pre-emptively to prevent inflation from rising too quickly. The Target Fund continues to believe that the Fed will be relatively cautious in raising rates. This should be supportive of gold, since it will mean real US interest rates remain at low levels. Financial markets appear to share this view, with the US Dollar at relatively subdued levels against the DXY basket of other major currencies. Gold should also benefit from the elevated levels of the US trade deficit and US budget deficit, and from suspicions that Trump administration is happy with a weak US Dollar.

February 2018 saw COMEX gold long positions decrease to 953 tonnes (-15.1% mom), with COMEX gold short positions also falling to 318 tonnes (-13.8% mom). While this meant net long positions decreased to 635 tonnes (-13.5% mom), COMEX gold positioning remained in moderately overbought territory. UBS data showed total aggregate Gold ETF holdings decreasing to 2,239 tonnes (-0.5% mom), the first monthly decline since October 2017. IMF data on central bank gold purchases showed the Russian Central Bank bought 19 tonnes in January 2018. This increased Russia's official gold reserves to 1,857 tonnes, surpassing the official holdings of the People's Bank of China (PBoC) which remained unchanged at 1,842 tonnes.

Gold equities significantly underperformed physical gold in February 2018, with the ratio between physical gold and the HUI gold equity index increasing to 7.7x, from 6.9x previously. This was not a reflection of poor operating performances since 4Q17 results showed good production numbers with no noticeable increase in operating costs. The Target Fund Manager believes the sell-off in gold equities reflects passive ETF outflows by generalist investors, unrelated to operational performance or even relative valuation. The Target Fund remained predominantly invested in Australian and Canadian producers with low operating costs and good production growth profiles.

The EMIX Global Mining Index also weakened in February 2018, with market nervousness about the effects of slowing Chinese credit growth on overall growth prospects. This nervousness was not helped by typical seasonal disruption to economic data caused by the Chinese New Year celebrations. There was a widespread decline in the share prices of listed resource companies, despite good 4Q17 financial results and continuing strength in commodity prices in the first two months of 2018. The Target Fund retained a neutral benchmark weighting in mining companies.

The West Texas Intermediate crude oil price started February 2018 at US$64.73/bbl and closed the month lower at US$61.64/bbl (-4.8% mom). Brent crude oil prices also decreased to US$65.78/bbl (-4.7% mom). The weakness in crude oil prices was caused by further evidence of the rapid increase in US onshore shale production, which is now growing at above 20.0% yoy. While OPEC production continued to be disciplined, this discipline could start to breakdown if crude oil prices fall below US$60.0/bbl.

MARKET OUTLOOK AND STRATEGY

Financial markets expect further interest rate hikes and monetary tightening from the US Federal Reserve. However, US monetary policy contrasts with the Bank of Japan and the ECB, both of which continue with quantitative easing programs. This divergence may cause volatility in global currency markets and has uncertain implications for global inflation. Unconventional monetary policy and negative real interest rates could fuel higher inflation, which would be positive for gold and for general commodity prices. Conversely, disappointing economic growth could result in deflation and systemic risk to the global banking system. The Target Fund expects to hold a neutral to overweight position in gold equities relative to the benchmark, with a preference for mid-tier and junior producers with growing volume output and low production costs. The Target Fund's preference for gold is based on their belief that gold-related assets can perform well in both inflationary and deflationary environments.

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