RHB Asset Management

FUND FACTSHEET – MARCH 2018

All data expressed as at 28 February 2018 unless otherwise stated

3-year Fund Volatility 11.1 very high
Lipper Analytics 15 FEB 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:

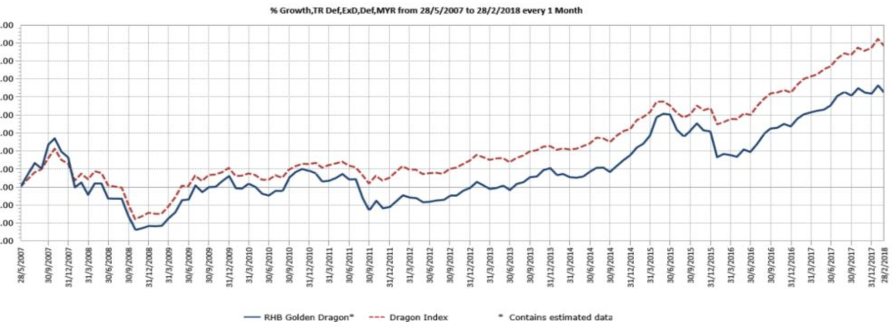
• are conservative and yet wish to participate opportunistically in the potential of the fast growing Greater China markets;
• seek a flexible investment mandate capable of capitalising and adapting to prevailing market conditions;
• are willing to accept moderate risk in their investments in order to 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	**-2.62**	**0.05**	**-0.05**	**0.44**
Benchmark	-2.13	1.52	2.32	0.65

	1 Year	3 Years	5 Years	Since Launch
Fund	**8.75**	**23.11**	**51.18**	**52.52**
Benchmark	11.40	28.40	53.04	78.28

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

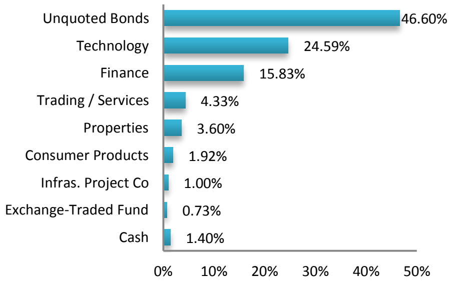
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Equity / Bond Fund
Fund Type	Growth and Income Fund
Launch Date	08 May 2007
Unit NAV	RM0.5466
Fund Size (million)	RM36.08
Units In Circulation (million)	66.01
Financial Year End	31 December
MER (as at 31 Dec 2017)	2.10%
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.*

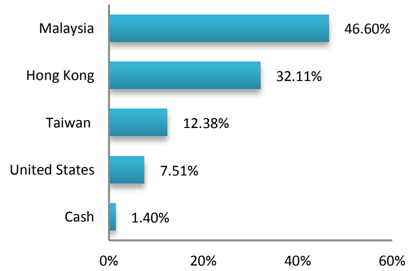
**For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

MEX II SDN BHD 6.2% (29/04/2032)	12.84
ALPHA CIRCLE 5.30% (23/02/2021)	8.31
TENCENT HOLDINGS LTD	7.79
ALPHA CIRCLE5.6% (18/11/2022)	6.97
TAIWAN SEMICONDUCTOR MANU CO LTD	6.38

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5613	0.5679	0.6106
Low	0.5332	0.5006	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 equity market saw heavy correction in February, sparked by the rising US bond yield amidst intensified inflation expectation. 10-year US treasury yield once rose to 2.95%. The VIX Index, a closely watched fear gauge, shot up more than 100% in a single day during the market panic in February, its biggest jump ever. The unwinding of exchange-traded VIX derivatives, and more hawkish tone on upcoming monetary policies from the European Central Bank further weighed on the market. MSCI World Index fell over 3% (in USD terms) during the months.

China equities fell in tandem with global markets. Investors also stayed sidelined in anticipation of more risk controlling policies to be announced in the "Two-session" National Peoples' Congress in March. This was revealed by dwindled southbound liquidity via Stock Connect Scheme after Chinese New Year. High beta stocks such as basic materials and commodities faced the heaviest selling pressure. However, the previously oversold tech hardware names bucked the downward trend upon better than expected handset shipment data. On the macro side, weaker-than-expected February's manufacture PMI, which dropped to 50.3, took investors by little surprise. However, this reading should have been distorted by seasonal factor, as there were only 15 working weekdays in February (as compared to 22 days in January) due to the Chinese New Year holiday.

Taiwan equities also ended lower but outperformed Chinese peers in February. Outperformers were those financials and high dividend yield names. Tech names including foundries and hardware, however, led loss and triggered negative sentiments among investors. Investors focused on new central bankers' attitude in monetary policy, and hawkish tone with growing economic data dragged down risk appetite in equity 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 largely unchanged. We are of the view that the correction in China equities had not much to do with China's own risks. Global systematic risk on rising US treasury yield and stronger USD were the culprits. We still believe the correction is a short-term hiccup in the middle of the growth cycle as interest rates are yet to reach the level to hurt corporate profits, and the resilience of China's macro remains intact. 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. We also like consumer staples which are set to benefit from inflation and rising pricing power. Basic material sector, however, would continue to face near-term pressure given the trade war created by Trump's administration. That said, we are still positive on its long-term outlook aided by the ongoing supply-side reforms. For the new economy sectors like internet, the risk-off mode currently would exert further pressure on their share prices while the structurally high earnings growth potential will still enable them to be the market-performer.

We maintain our neutral view over Taiwan equities. We see the outperformance in February was not fully justified given the fair valuation on Taiwan equity market, while foreign fund flow remains weak. The foreign investors turned to be the net sellers in February amid the global market sell-off and net sold US$3.3bn in the month, which more than offset US$2.9bn net buying in January. Fundamental-wise, for tech sector, while the new iPhone models for the second half had cheered up investors' appetite on overall hardware names, we reiterate that weaker-than-expected handset sales in China will remain the risk factor in the near term. We now only favour those handset component or foundries names 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. Most Taiwan financials also reported strong profit rebound in January on much better investment gains, robust fee income growth and lower taxes.

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