RHB Asset Management

FUND FACTSHEET – JUNE 2018

All data expressed as at 31 May 2018 unless otherwise stated

3-year Fund Volatility 33.5 very high Lipper Analytics 15 MAY 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:

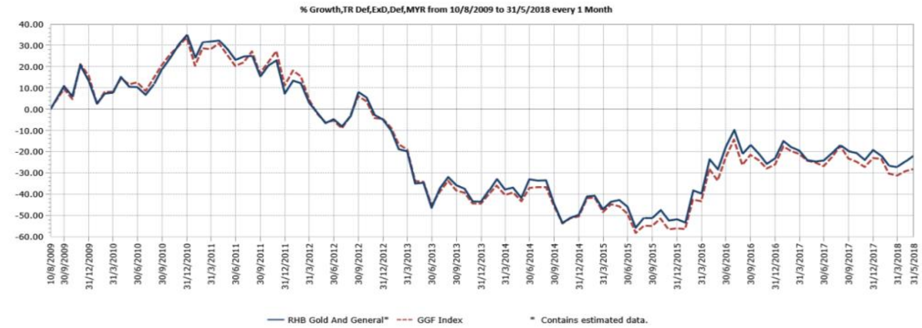
- wish to participate in the potential benefits derived from investment in companies involved in the mining and exploration of precious metals, energy or base metals;
- wish to diversify their investment portfolio from traditional asset classes; and
- are willing to accept a higher risk in their investments 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	**3.73**	**6.36**	**2.51**	**-3.44**
Benchmark	1.45	3.11	-1.30	-6.67

	1 Year	3 Years	5 Years	Since Launch
Fund	**3.73**	**36.66**	**19.72**	**-21.84**
Benchmark	-4.01	32.21	9.12	-28.01

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

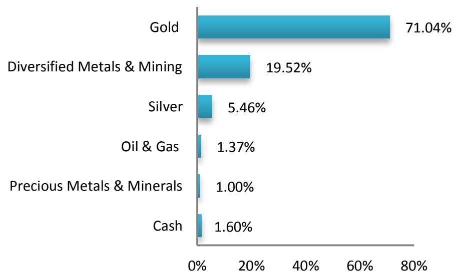
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Feeder Fund
Fund Type	Growth Fund
Launch Date	21 July 2009
Unit NAV	RM0.2945
Fund Size (million)	RM190.66
Units In Circulation (million)	647.36
Financial Year End	30 June
MER (as at 30 June 2017)	0.55%
Min. Initial 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.*

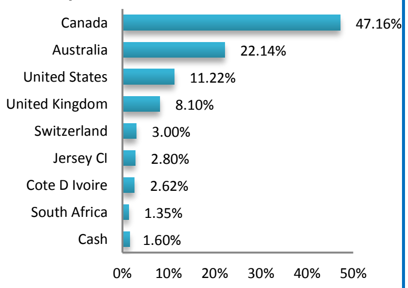
**For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

NEWMONT MINING	8.85
TECK RESOURCES LTD	5.13
GOLDCORP INC	4.87
RIO TINTO PLC	4.49
SARACEN MINERAL HOLDINGS LTD	4.02

**As percentage of NAV*

**Source: UOBAM, 31 May 2018. Exposure in United Gold & General Fund - 96.95%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.2982	0.3282	0.6393
Low	0.2839	0.2745	0.1622

Source: Lipper IM

RHB GOLD AND GENERAL FUND

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MANAGER'S COMMENTS

MARKET REVIEW

Physical gold started May 2018 at US$1,315/oz and strengthened in the early part of the month ahead of President Trump's announcement as to whether the United States would remain in the Joint Comprehensive Plan of Action (JCPOA), otherwise known as the Iran nuclear deal. The gold price reached an intra-month high of US$1,322/oz on 10 June 2018, immediately after the United States withdrew from the JCPOA. However, the gold price then faded relatively sharply in the face of a weaker Euro and stronger US Dollar. Gold made a late rally towards month-end as doubts were raised as to the planned US – North Korea summit. Despite this late move, the gold price eventually finished the month lower at US$1,299/oz.
The US Dollar rally that started in mid-April 2018 continued in May 2018 due to heightened political uncertainty in Italy and resulting pressure on the Euro currency. There were also suggestions that the repatriation of overseas cash by US corporates may be causing the US Dollar to strengthen, since a higher proportion of this cash had been held in non-US currencies than previously believed. The Target Fund Manager expects the US Dollar will remain strong into June 2018 given market expectations of a further US rate hike after the next Federal Open Market Committee (FOMC) meeting. US economic activity certainly supports further rate increases, with low US unemployment rates likely to cause a pick-up in US wage inflation. While US interest rates can be expected to rise this year, a cautious approach by the Fed to raising rates could still be supportive of gold since US real interest rates would remain at low levels.
Geopolitical pressures were slightly elevated during May 2018. Germany, France and the United Kingdom now have to decide whether to follow President Trump's lead and withdraw from the JCPOA, or risk US sanctions by continuing to have financial and economic links with Iran. There was also pressure from US National Security Advisor John Bolton to make "complete denuclearisation" a pre-condition of the expected US- North Korea summit. However, negative headlines ahead of the summit were subsequently smoothed over and the proposed meeting in Singapore on 12 June 2018 remains on schedule.

May 2018 saw COMEX gold long positions decrease to 762 tonnes (-6.0% mom), with COMEX gold short positions decreasing to 342 tonnes (-16.0% mom). This meant net long positions increased slightly to 420 tonnes, with COMEX gold positioning remaining in oversold territory. UBS data showed total aggregate Gold ETF holdings at 2,328 tonnes (+0.1% mom). IMF data on central bank purchases showed the Russian Central Bank bought 19 tonnes in March 2018. This increased Russia's official gold reserves to 1,910 tonnes, above the official holdings of the People's Bank of China (PBoC) which remained unchanged at 1,842 tonnes.

Gold equities outperformed physical gold slightly in May 2018, with the ratio between physical gold and the HUI gold equity index declining to 7.3x, from 7.4x previously. The 1Q18 financial reporting season continued in positive mode, with good production volume and operating cost metrics. In particular, several companies with mines in West Africa generated strong free cash flow, offsetting some of uncertainty relating to negative tariff/royalty headlines in recent months. Despite this, the Target Fund maintains its preference for companies operating in safe political jurisdictions, and is predominantly invested in Australian and Canadian producers.

The EMIX Global Mining Index rose in May 2018, with global manufacturing PMI data remaining above the 52.0 level that signifies healthy expansion. In particular, US economic activity stayed in "goldilocks" territory, with nothing to indicate a sharp uptick in inflationary pressure. There was some profit-taking in base metal equities, as US threats to potential Russian supply failed to materialise. The Target Fund maintained a neutral benchmark weighting in mining companies and continues to invest in low-cost, high dividend paying producers with strong balance sheets.

The West Texas Intermediate crude oil price started May 2018 at US$68.57/bbl and closed the month lower at US$67.04/bbl (-2.2% mom). However, Brent crude oil prices increased to US$75.17/bbl (+3.2% mom). Both WTI and Brent rose strongly in the early part of the month on speculative futures buying and falling output data from Venezuela. However, there was moderate profit taking towards the end of the month on press reports that OPEC would ease its current production restrictions at the upcoming June 2018 summit.

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 cause higher inflation, which would be positive for gold and for general commodity prices. Conversely, disappointing economic growth could result in deflation and renewed risks 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 the Target Fund Manager's belief that gold-related assets can perform well in both inflationary and deflationary environments.