RHB Asset Management

FUND FACTSHEET – JULY 2018

All data expressed as at 30 June 2018 unless otherwise stated

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

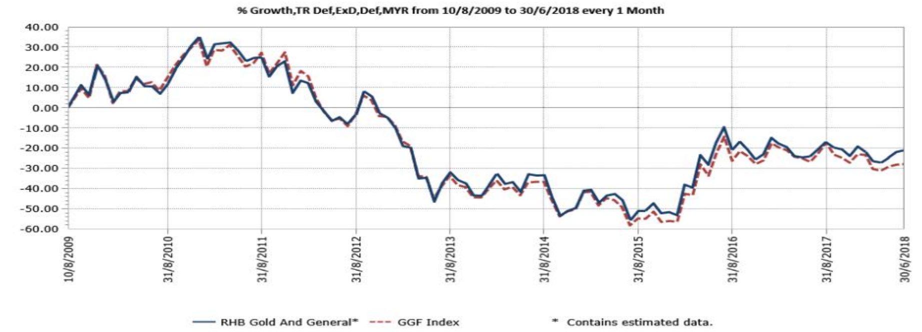
- wish to participate in the potential benefits derived from investment in companies involved in the mining and exploration of precious metals, energy or base metals;
- wish to diversify their investment portfolio from traditional asset classes; and
- are willing to accept a higher risk in their investments 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	**1.12**	**8.49**	**-2.36**	**-2.36**
Benchmark	0.38	4.82	-6.32	-6.32

	1 Year	3 Years	5 Years	Since Launch
Fund	**4.24**	**46.12**	**47.65**	**-20.96**
Benchmark	-1.48	41.68	31.16	-27.74

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

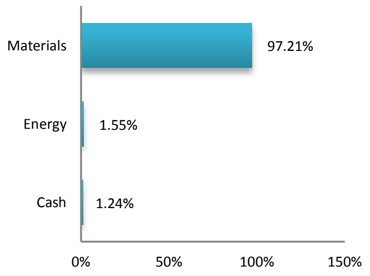
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Feeder Fund
Fund Type	Growth Fund
Launch Date	21 July 2009
Unit NAV	RM0.2978
Fund Size (million)	RM186.10
Units In Circulation (million)	624.90
Financial Year End	30 June
MER (as at 30 June 2017)	0.55%
Min. Initial 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

**All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.*

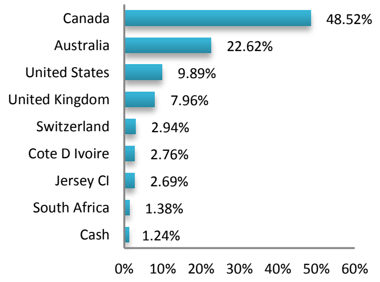
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

NEWMONT MINING CORP	7.40
TECK RESOURCES LTD	4.90
GOLDCORP INC	4.75
RIO TINTO PLC	4.48
BARRICK GOLD CORP	4.04

**As percentage of NAV*

**Source: UOBAM, 30 June 2018. Exposure in United Gold & General Fund - 96.75%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.3011	0.3282	0.6393
Low	0.2918	0.2745	0.1622

Source: Lipper IM

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MANAGER'S COMMENTS

MARKET REVIEW

Physical gold started June 2018 at US$1,299/oz and rose slightly in the early part of the month ahead of the US-North Korea meeting on 12 June 2018. Having reached an intra-month high of US$1,302/oz on 14 June 2018, the gold price then declined sharply for the remainder of the month. This was partly due to the de-escalation of political tensions on the Korean Peninsula following a relatively successful summit, but mainly due to the outlook for US policy rates disclosed by the Federal Open Market Committee (FOMC) meeting on 13 June 2018. The gold price eventually finished the month at US$1,253/oz.

As expected, the FOMC increased policy rates to 2.0%, with the updated “dot plot” chart showing a slightly more hawkish view on future US rates. The median consensus now anticipates two further rate hikes in 2H18, making four rate hikes for the year. This compares to the FOMC’s median consensus in May 2018 for a total of three rate hikes in 2018. While further increases in US interest rates can be expected this year, a cautious approach by the Fed to raising rates can still be supportive of gold if US real interest rates remain at low levels. The Target Fund Manager notes that historically gold has performed well so long as US real rates remain below 2.0%.

The US Dollar Index (DXY) strengthened marginally in June 2018 against other leading currencies. Concerns about the rising US current account and fiscal deficits have been offset by upward revisions to US GDP forecasts, with sizeable US infrastructure stimulus still to come. The Target Fund Manager also note that US-denominated emerging market debt has increased from US$819bn in 4Q08 to US$3.0tr at end-1Q18. This raises the spectre of panic buying of the US Dollar by non-US companies if the US currency continues to rise. Historically, gold is the one commodity that can rally during periods of US Dollar strength.

June 2018 saw COMEX gold net long positions remaining in oversold territory. Bloomberg data showed total aggregate Gold ETF holdings at 2,181 tonnes (-2.1% mom). IMF data on central bank purchases showed the Russian Central Bank adding another 19 tonnes in May 2018. This increased Russia’s official gold reserves to 1,928 tonnes, equivalent to 17.6% of overall Russian reserves. The official gold holdings of the People's Bank of China (PBoC) remained unchanged at 1,842 tonnes.

Gold equities outperformed physical gold in June 2018, with positive announcements by a number of companies regarding the timely completion of expansion projects and the release of positive exploration results. The Target Fund Manager believes investors are starting to note the strong free cash flow and continued capital discipline of many gold producers, which in some cases has already lead to high dividend payout rates. The Target Fund maintained its preference for companies operating in safe political jurisdictions, and is predominantly invested in Australian and Canadian producers.

The EMIX Global Mining Index declined in June 2018, with investors allowing trade war concerns to overshadow still positive global manufacturing PMI data and industrial production data. Concerns over the potential negative impact of a US-China trade war were reflected in the sharp 3.2% deprecation of the Renminbi against the US Dollar, with currency depreciation being a potential Chinese response to higher tariffs. The US Dollar’s strength over the past two months also reflects the continued dovish stance of the European Central Bank and the Bank of Japan. A strong US currency is typically negative for base metal and bulk commodity prices. The Target Fund maintained a neutral benchmark weighting in general mining companies but is invested in low-cost, high dividend paying producers with strong balance sheets.

West Texas Intermediate crude oil price started June 2018 at US$67.04/bbl and closed the month higher at US$74.15/bbl (+10.6% mom). Brent crude oil prices also increased to US$79.44/bbl (+2.4% mom). Surprisingly, OPEC unanimously agreed at its 22 June 2018 meeting to bring production back in-line with the targets agreed in November 2016, as compared to the sizeable under-production evident in May 2018. Taken at face value, this will bring 0.7 mmbopd onto the market, well below the >1.0mmbopd production increase mentioned by the Saudi oil minister ahead of the meeting. Crude oil prices rallied following the lower-than-expected increase.

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 low real interest rates could cause higher inflation, which would be positive for gold and potentially positive 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.