RHB Asset Management

FUND FACTSHEET – JULY 2018

All data expressed as at 30 June 2018 unless otherwise stated

3-year Fund Volatility 11.7 very high Lipper Analytics 15 JUN 2018

RHB RESOURCES FUND

This Fund aims to achieve long term capital appreciation through investments in securities of companies whose businesses are in or are substantially related to the natural resources sectors.

INVESTOR PROFILE

This Fund is suitable for investors who:

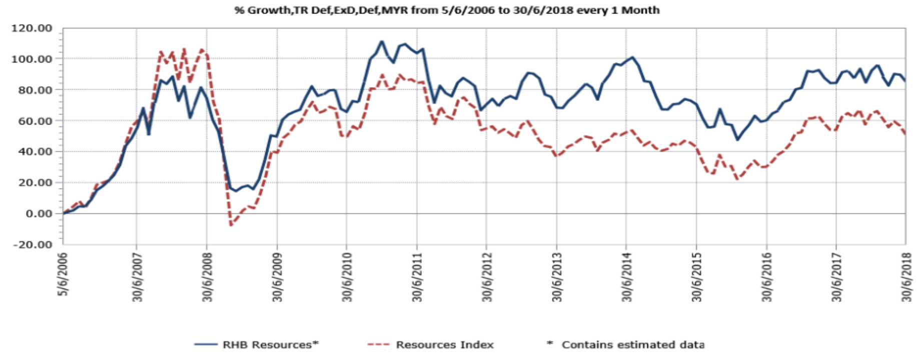
- wish to capitalise on the opportunities offered by the natural resources sectors;
- seek an investment well-diversified across the Asia Pacific markets;
- are willing to accept moderate to high risk in their investments; and
- prefer capital growth rather than income over a long term period.

INVESTMENT STRATEGY

- Up to 98% of NAV: Investments in securities of companies whose businesses are in or are substantially related to the natural resources sectors.
- 2% - 5% of NAV: Investments in liquid assets including bonds, 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	**-2.36**	**1.34**	**-3.72**	**-3.72**
Benchmark	-3.51	-3.14	-8.12	-8.12

	1 Year	3 Years	5 Years	Since Launch
Fund	**0.53**	**8.55**	**10.03**	**85.29**
Benchmark	-1.96	5.47	10.38	51.20

Calendar Year Performance (%)*

	2017	2016	2015	2014	2013
Fund	**6.27**	**15.01**	**-6.04**	**-7.55**	**-2.12**
Benchmark	7.73	16.58	-6.98	-5.53	-5.10

Source: Lipper IM

FUND DETAILS

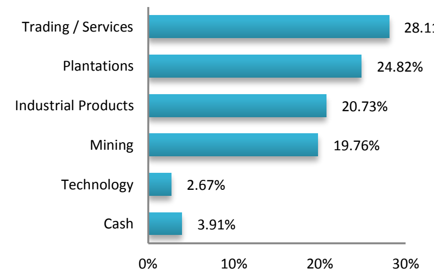
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Equity Fund
Fund Type	Growth Fund
Launch Date	16 May 2006
Unit NAV	RM0.5661
Fund Size (million)	RM27.84
Units In Circulation (million)	49.19
Financial Year End	31 March
MER (as at 31 Mar 2018)	1.82%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	50% FBM Asian Palm Oil Plantation+25% Bloomberg Asia Pac Mining(RM)+25% MSCI Asia Pac Energy(RM)
Sales Charge	Up to 5.26% of investment amount*
Redemption Charge	None
Annual Management Fee	1.50% p.a. of NAV*
Annual Trustee Fee	Up to 0.07% p.a. of NAV*
Redemption Period	Within 10 days after receipt the request to repurchase
Distribution Policy	Annually, if any

**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.*

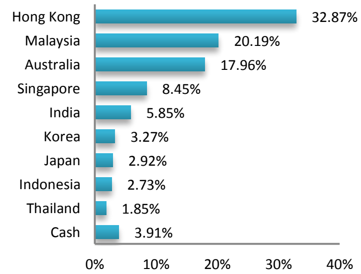
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

BHP BILLITON LTD	7.19
WILMAR INTERNATIONAL LTD	5.78
IOI CORP BHD	5.15
CNOOC LTD	5.15
SIME DARBY PLANTATION BHD	4.73

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5903	0.6041	0.8501
Low	0.5570	0.5563	0.3965

Source: Lipper IM

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RHB Asset Management Sdn Bhd (174588-X)

3-year Fund Volatility
11.7
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15 JUN 2018

RHB RESOURCES FUND

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MANAGER'S COMMENTS

MARKET REVIEW

In June, global PMI remained in expansionary territory amid slower for both US and Asia while improved in Europe. US flash composite PMI eased slightly to 56.0 in June, from 56.6 recorded from the previous month, while the Eurozone flash composite PMI improved by 0.7pts to 54.8 due to stronger services PMI. In Asia, China's PMI Caixin eased by 0.1pts at 51, but remain in healthy range.

Oil had the most interesting month due to the OPEC-Russia meeting held at the end of the month. Energy has maintained its momentum and outperformed metals and agriculture commodities. Unsurprisingly, trade tensions and the strength of the US Dollar remain headwinds for financial markets. Taking stock of the performance of the commodity complex for 1H18, we see the same story playing out, with cocoa (+30% YTD) and crude oil (+20% YTD) topping the list, while sugar (-19.5% YTD) and iron ore (-13% YTD) fall to the bottom of the class. Our bias on the energy sector has paid off; as the RHB Resources Fund has outperformed its benchmark.

We maintain our price range of crude oil (WTI) at USD65-75/bbl with upside risk, as we are entering into the driving season in the US. Seasonally, we see huge crude stock drawdowns during this period. Helped by buoyant crude prices, energy equities held up against the volatility in the equities market. Overall, our basket of energy equities ended the month flat, while the MSCI Asia ex Japan index came off at -4%. We expect good Q2 earnings to materialize during the coming result season.

The petrochemical sector underperformed significantly in June, as key product spreads corrected itself from first quarter peaks due to seasonally higher capacity maintenance shutdowns. In addition, new supplies from the US have been gradually ramping up since Q2 2018, further pressuring product spreads to stay at an elevated level. We continue to remain negative on petrochemical sector due to rising low-cost gas-based supplies coming to the market from the US. Hence, we remain underweight in the sector.

Outlook for CPO remains subdued as we are still in the midst of an oversupply situation, where stock-to-usage remains high. 2018 consensus figures stand at RM2400-RM2500/ton, a far cry from 2017 average of RM2700/ton. There are a few reasons that can explain palm oil's underperformance: 1) India has imposed another import tariff hike on CPO (30% to 44%, effective 1st march 2018), rendering palm oil uncompetitive compared to other edible oils such as soybean and sunflower oil; 2) Indonesia's biodiesel demand, which was earlier touted as the main driver for CPO's outperformance this year, was weaker than expected; and 3) The primary substitute for palm oil, soybean oil, has also weakened substantially (-12% YoY)

Another soft commodity that is in the negative spotlight this year is sugar, where prices are down 15% YTD and the commodity is trading at USD0.12/lb. Supply remains in surplus with Indian and Thai outputs at record levels. We expect the market to rebalance slowly and supplies to normalize gradually heading into 2019.

MARKET OUTLOOK AND STRATEGY

Commodity is on a recovery mode. Supply side constraints, due to a lack of capital expenditure, cleaner balance sheet and inexpensive valuations, are supportive elements. Hence, we remain long-term positive in the resources sector. However, we are closely monitoring the Sino-US trade dispuFte and its impact on demand. Near term, we are expecting China to conduct further RRR cuts and improve policy support for infrastructure to keep its economy humming, which bodes well for commodity demands.

Riding on the coattails of higher energy prices, we should see gradual interest back to electric vehicles. Therefore, we have selectively entered into molybdenum, nickel, and cobalt-related producers in order to participate on this longer term trend. We believe the improvement in battery technology and favourable government policies will drive the penetration of electric vehicles.

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