RHB Asset Management

FUND FACTSHEET – AUGUST 2018

All data expressed as at 31 July 2018 unless otherwise stated

3-year Fund Volatility 33.3 very high Lipper Analytics 15 JUL 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:

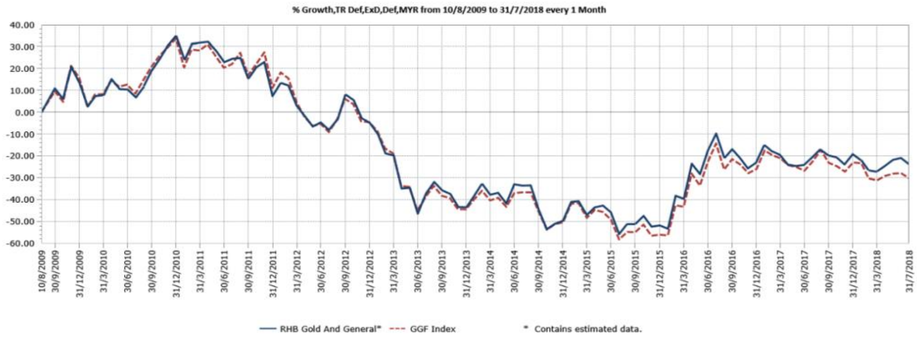
- wish to participate in the potential benefits derived from investment in companies involved in the mining and exploration of precious metals, energy or base metals;
- wish to diversify their investment portfolio from traditional asset classes; and
- are willing to accept a higher risk in their investments 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**	**0.99**	**-2.65**	**-6.00**
Benchmark	-3.40	-1.63	-9.06	-9.50

	1 Year	3 Years	5 Years	Since Launch
Fund	**-4.05**	**72.30**	**21.38**	**-23.91**
Benchmark	-10.01	66.37	13.83	-30.20

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

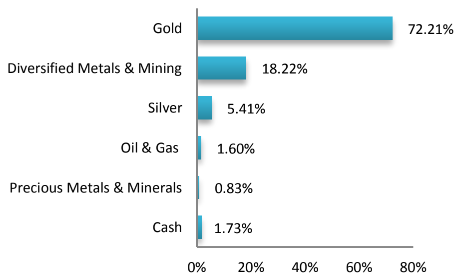
FUND DETAILS

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	RM0.2867
Fund Size (million)	RM177.21
Units In Circulation (million)	618.18
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

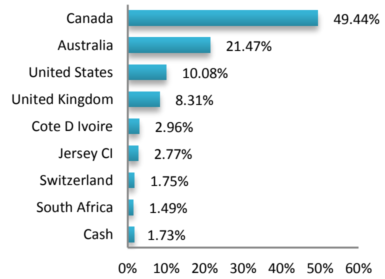
**All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.*
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

NEWMONT MINING	7.58
TECK RESOURCES LTD	5.28
RIO TINTO PLC	4.68
GOLDCORP INC	4.55
OCEANAGOLD	4.36

**As percentage of NAV*
**Source: UOBAM, 31 July 2018. Exposure in United Gold & General Fund - 96.29%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.3022	0.3282	0.6393
Low	0.2865	0.2745	0.1622

Source: Lipper IM

3-year Fund Volatility
33.3
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RHB GOLD AND GENERAL FUND

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MANAGER'S COMMENTS

MARKET REVIEW

Physical gold started July 2018 at US$1,253/oz and rallied slightly to reach an intra-month high of US$1,258/oz on 5 July 2018. However, the gold price then came under sustained selling pressure given escalating concerns about Chinese economic growth prospects and the related impact on commodity prices. China is perceived as being the world's largest market for precious metals, as well as for most other commodities. The gold price eventually finished the month at US$1,224/oz.

The US Dollar Index (DXY) strengthened marginally in July 2018 against other OECD currencies. However, it was noticeably stronger against the Chinese Renminbi, with the Chinese currency falling to US$:RMB6.82 (-2.9%) by month-end. The Renminbi has now declined by -8.1% against the USDollar since April 2018. Stress signs also emerged in other emerging market currencies, with the Turkish lira reacting negatively to Turkey's Central Bank leaving interest rates unchanged, and to the appointment of President Erogan's son-in-law as head of Turkey's Finance Ministry. While emerging market stress is negative for general commodity demand, historical data shows that gold is the one commodity that can rally during periods of US Dollar strength.

Uncertainty as to the eventual impact of US trade policy action has started to undermine business and investor confidence, particularly towards emerging markets. Both gold and commodities generally suffered as risk-off sentiment increased in July 2018. Although "risk-off" implies a pick-up in safe haven demand, to date this demand has been channelled into US treasuries, not precious metals. However, the Target Fund Manager believers that gold-related assets are starting to appear attractive, particularly with the gold price moving towards the lower end of its multi-year trading range. This view is supported by data from the COMEX futures market.

July 2018 saw COMEX gold net long positions move firmly into oversold territory. Net long positioning increased to 768 tonnes (+4.2% mom) and net short positioning increased to 669 tonnes (+42.6% mom). This resulted in a net long positioning of 98 tonnes (-36.7% mom). This is the lowest level since December 2015 – which on that occasion resulted in the gold price's strong 1H16 rally. Bloomberg data showed total aggregate Gold ETF holdings virtually unchanged at 2,181 tonnes (+0.0% mom). IMF data on central bank purchases showed the Russian Central Bank adding another 16 tonnes in May 2018, increasing Russia's official gold reserves to 1,944 tonnes. The official gold holdings of the People's Bank of China (PBoC) remained unchanged at 1,842 tonnes.

Gold equities underperformed physical gold in July 2018, perhaps unsurprising since operational leverage implies that gold producers will see a larger drop in profits than any underlying weakness in the gold price. Even so, the sell-off in share prices was at odds with the generally positive 2Q18 financial results. In particular, the Target Fund Manager notes that a number of Australian producers – such as Gascoyne Resources, Newcrest Mining and St. Barbara – all hedged a portion of their future production at recent highs in the gold price. 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 July 2018, with trade war concerns overshadowing still positive global manufacturing PMI data and industrial production data. While global manufacturing production is still positive, investors appear to be concerned that growth is now starting to lose momentum. For example, the JP Morgan Global Manufacturing PMI peaked at 54.5 in December 2017 and fell to 52.7 in July 2018. This weakness has negative implications for base metals and bulk commodity prices. The Target Fund maintained a neutral benchmark weighting in general mining companies and is solely invested in low-cost producers with strong balance sheets.
West Texas Intermediate crude oil price started July 2018 at US$74.15/bbl and closed the month higher at US$68.76/bbl (-7.3% mom). Even though OPEC had signalled in June 2018 that it would raise production, sentiment was affected by its production of 32.6 mmbopd in July – the highest level for the year. In addition, US onshore production continues to increase, with many US producers using the futures market to lock-in high prices and ensure their profitability over the coming twelve months.

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.