

RHB DIVIDEND VALUED EQUITY FUND

This Fund aims to provide investors with total returns primarily through investment in equity and equity related securities of companies which offer attractive yields and sustainable dividend payments.

INVESTOR PROFILE

This Fund is suitable for investors who:

- want capital growth as well as income; and
- willing to accept short term fluctuations in capital values.

INVESTMENT STRATEGY

- Minimum of 70% and up to 98% of NAV: Investments in equities.
- Minimum of 2% and up to 30% of NAV: Investments in fixed income securities and/or liquid assets.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	0.50	-3.08	-6.79	-11.01
Benchmark	-0.02	-0.53	-0.98	-2.54

	1 Year	3 Years	5 Years	Since Launch
Fund	-12.40	-0.78	11.07	50.07
Benchmark	-0.55	41.95	79.24	216.36

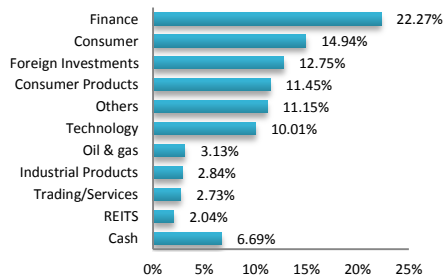
Calendar Year Performance (%)*

	2017	2016	2015	2014	2013
Fund	7.51	0.15	10.57	0.00	-0.57
Benchmark	23.88	11.86	11.60	10.05	11.02

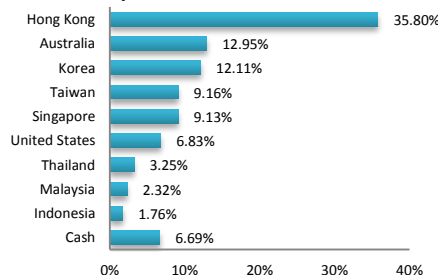
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

TENCENT HOLDINGS LTD	6.67
ISHARES MSCI INDIA INDEX ETF	6.03
SAMSUNG ELECTRONICS CO LTD	4.82
TAIWAN SEMICONDUCTOR MANUFACTURING	4.57
ALIBABA GROUP HOLDING-SP ADR	3.84

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.3411	0.4401	0.6866
Low	0.3259	0.3259	0.2762

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)	Yield (%)
24 May 2018	2.0500	5.11
23 May 2017	4.2000	10.04
26 May 2016	2.6000	6.06
31 May 2015	-	-
31 May 2014	-	-

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

MARKET REVIEW

The Chinese market continued to suffer from the trade war, with the Trump administration raising tariff rates from 10% to 25% on the proposed US\$200bn tariffs against Chinese exports at the beginning of the month. Southbound trading from Shenzhen and the Shanghai – Hong Kong stock connect both registered net sell-flows in August. A further selling wave was triggered at the end of the month (MSCI China -3.1%) after series of unsuccessful trade talks. On the positive side, stabilization efforts from the Central Bank helped to ease the pressure of currency depreciation.

Corporate earnings were a mixed bag, with energy, materials, real estate and insurance sectors recording positive earnings revisions. On the other end of the spectrum are health care, tech, hardware and diversified-financial sectors. Energy and utilities sectors continued to outperform market YTD; however industrials, automobiles, tech, diversified financial sectors suffered amid lower market risk appetites.

In Taiwan, moderate improvement in tech production into 3Q continue to drive uptick in IP figure. Not surprisingly, boosted by the gains in TSMC (+4.1%), the Taiwanese market is one of the key markets in Asia that closed the month in green. One of TSMC's competitors, Global foundries, announced that it will put on hold its 7nm and 5nm process technology development to focus on 14nm as well as 12nm products. Our investment thesis on TSMC is based on our belief that its leadership in overcoming Moore's Law will enable the company to gain market share. The situation at Global foundries reinforces our view that TSMC is one of the few foundries that can overcome the high entry barrier resulted from the end of Moore's Law. This paves the way for TSMC to gain further market share in 2019, so we remain positive on the stock.

In Korea, earning season has been better than expected with operating profit reaching KRW54tr. However, there is a downward revision of earnings expected in the latter half of the year. Meanwhile, corporate restructuring activities excited the market during the month of Aug, including the Hyundai Heavy Industries and Hyundai Mipo Group's restructuring plan. Tourism related consumption stocks jumped on the back of news that there will be a resumption of Chinese tour groups back to Korea. DFS operators as well as Korean skincare/cosmetic brand owners will be key beneficiaries if tour groups were to resume their visit into the country.

All markets in ASEAN rebounded in August except Singapore. Philippines and Malaysia markets led the rebound while the Thai baht was the only currency which saw an appreciation against the US dollar.

Thailand's 2Q GDP growth expanded stronger than expected at 4.6% y-o-y. The Bank of Thailand (BoT) has shifted their stance away from inflation and towards financial stability. General elections are expected to be held in 2nd quarter of 2019 but before that, a royal coronation is expected to be held. In the Indonesia market, we saw the central bank intervening at various juncture to ensure stability in the Rupiah (IDR). The IDR depreciated the most amongst its ASEAN peers and have reached 14,800 against the greenback. Bank Indonesia has signaled that they would rather stabilize the currency at the expense of pursuing economic growth. Our view is that Indonesia is in better fiscal shape than when it was compared during the Taper Tantrum, but poor sentiments from emerging market woes and seasonality will probably see the Rupiah heading downwards in the short term.

MARKET OUTLOOK AND STRATEGY

Due to the major overhangs of China-U.S. trade war and the depreciation of the CNY, market sentiment is likely to remain subdued in both Chinese offshore and onshore markets over the short term. However, we are optimistic on the prospect of more supportive policies put forward by the Chinese government to stabilize the market. On the company level, we are seeing a mixed picture after the semi-annual result season. While some companies and sectors were able to overcome the macro uncertainties and deliver a nice set of numbers, some were hampered and underperformed the market. And so, we expect sector and stock performance to diverge.

On the portfolio front, we continue to remain positive on certain sectors, including consumption, healthcare and internet technology over a long term horizon. Although they are being sold off due to an across the board market sell-off, we believe that the secular growth story in these sectors are still very much intact. We think this is a good opportunity to accumulate more quality names.

Foundries have been a bright spot in the tech sector in Taiwan. Apple is launching new phones in September 2018. Depending on pricing strategy, its supply chain could benefit from this new launch. As for the non tech sector, dividend support and reasonable earning growth have been supportive of its performance thus far, making Taiwan one of the better performer in the Asia market. We added Uni-president on weaknesses this month, as we believe that margin expansions due to good control in operating expenses will continue to drive the stock. UPE is seeing the benefits of improving operating performance in its noodles business in China following its strategy to focus on premium noodles products. In addition, its subsidiary, President Chain Stores, offers earning stability and valuation upside optionality for its chain stores in the Philippines that is not currently valued by the market.

The weakness of KRW are making export driven companies more competitive and we are seeing funds gradually flow back into Korea. Amidst the backdrop in trade war, Korea has been registering positive inflow in the past 2 months. We do see valuations being attractive for this country as well as value in bottom up stock picks in the Tech/consumption sector in the likes of Samsung Electronics as well as selective dollar earners in the export sector. With the recent KRW depreciation boding well for export firms, the pace of downward revisions to 3Q18 consensus should slow.

We are cautiously optimistic on ASEAN markets, as currency headwinds are starting to stabilize over the near term. We are looking to deploy some cash in ASEAN companies given that the markets are trading one standard deviation below its long term 5 year PE mean and valuations of some oversold quality companies are getting attractive.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 August 2018, the Volatility Factor (VF) for this fund is 11.3 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are more than 11.1 (source: Lipper). The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC. The VC referred to was dated 30 June 2018 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 2018.

A Product Highlights Sheet ("PHS") highlighting the key features and risks of the Fund is available and investors have the right to request for a PHS. Investors are advised to obtain, read and understand the PHS and the contents of the Master Prospectus dated 15 July 2017 and its supplementary(ies) (if any) ("the Master Prospectus") before investing. The Master Prospectus has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. Amongst others, investors should consider the fees and charges involved. Investors should also note that the price of units and distributions payable, if any, may go down as well as up. Where a distribution is declared, investors are advised that following the issue of additional units/distribution, the NAV per unit will be reduced from cum-distribution NAV to ex-distribution NAV. Any issue of units to which the Master Prospectus relates will only be made on receipt of a form of application referred to in the Master Prospectus. For more details, please call 1-800-88-3175 for a copy of the PHS and the Master Prospectus or collect one from any of our branches or authorised distributors.

The Manager wishes to highlight the specific risks of the Fund are stock market risk, currency risk, liquidity risk, country risk, sector risk, interest rate risk, credit/default risk, issuer risk, inflation/purchasing power risk and regulatory risk. These risks and other general risks are elaborated in the Master Prospectus.

This factsheet is prepared for information purposes only. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive it. Past performance is not necessarily a guide to future performance. Returns may vary from year to year.