

RHB GOLDEN DRAGON FUND

This Fund aims to maximise total returns through a combination of long term growth of capital and current income.

INVESTOR PROFILE

This Fund is suitable for investors who:

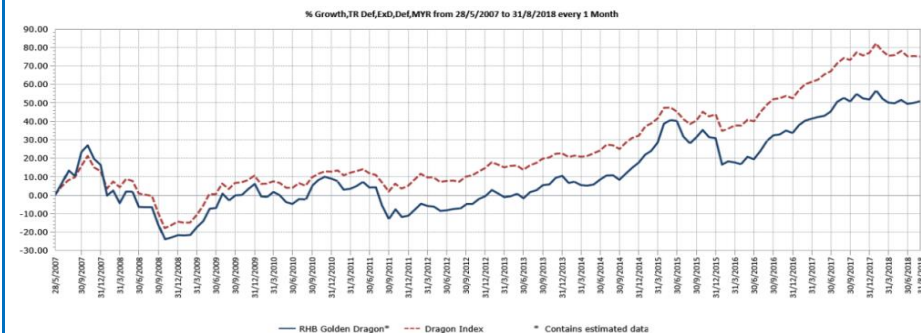
- are conservative and yet wish to participate opportunistically in the potential of the fast growing Greater China markets;
- seek a flexible investment mandate capable of capitalising and adapting to prevailing market conditions;
- are willing to accept moderate risk in their investments in order to achieve long term capital growth and income.

INVESTMENT STRATEGY

- 30% - 70% of NAV: Investments in securities of & securities relating to companies whose businesses are in the Greater China (i.e. the People's Republic of China, Hong Kong SAR and Taiwan) & are listed on the Greater China markets and/or other markets.
- 30% - 70% of NAV: Investments in Malaysian fixed income securities, money market instruments, cash and deposits with financial institutions.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	0.60	-0.44	-1.06	-0.62
Benchmark	-0.18	-1.71	-1.82	-1.18

	1 Year	3 Years	5 Years	Since Launch
Fund	-1.12	17.84	47.12	50.91
Benchmark	0.46	26.38	49.21	75.03

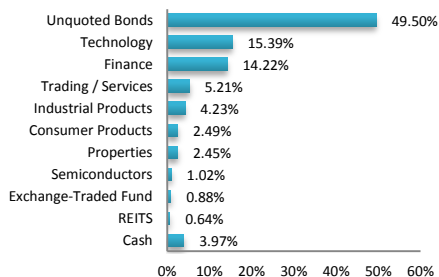
Calendar Year Performance (%)*

	2017	2016	2015	2014	2013
Fund	13.68	2.02	11.36	6.55	11.05
Benchmark	16.20	6.02	8.85	7.76	7.00

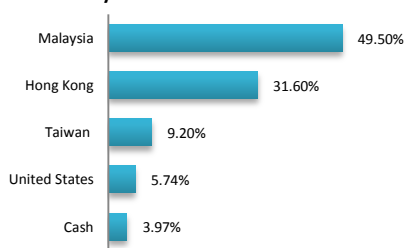
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

MEX II SDN BHD	6.2% (29/04/2032)	14.68
ALPHA CIRCLE	5.6% (18/11/2022)	7.93
ALPHA CIRCLE	5.30% (23/02/2021)	5.98
TENCENT HOLDINGS LTD		4.59
ALIBABA GROUP HOLDING		4.29

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5423	0.5679	0.6106
Low	0.5254	0.5254	0.3026

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)	Yield (%)
31 Dec 2017	-	-
28 Dec 2016	3.6000	7.51
16 Dec 2015	4.5750	8.24
31 Dec 2014	-	-
31 Dec 2013	-	-

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.

Policy-wise, PBoC issued some 7-day reverse repos in the second half of August to ease market liquidity pressures. CBIRC also guided banks to lend more, with some big banks lifting their full year loan growth target a bit. Chinese lawmakers also passed the amendment to the personal income tax law on 31 Aug, raising the minimum threshold for tax exemption from RMB3,500 to RMB5,000 per month; with more comprehensive expensive deduction schemes to follow. Given macro headwinds faced by China, further tax reduction and spending schemes are likely to accommodate.

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.

MARKET OUTLOOK AND STRATEGY

Due to the major overhangs of China-U.S. trade war and CNY depreciation, market sentiment is likely to remain subdued in both the China offshore and onshore markets in short terms. However, we are encouraged to see more supportive policies put forth by the Chinese government to stabilise 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, others were hampered and underperformed compared the market. And so, we expect sectors and stock performance to diverge.

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

Currently, we have slightly skewed our portfolio towards companies with strong balance sheets and good cash flow generation. This has proved to allow us to better weather through market volatility. But at the same time, we are also picking up certain quality names slowly as valuation has come down quite substantially. Again, we will keep our overall position flexible so that we can catch any market opportunities.

Foundries have been a bright spot in the tech sector in Taiwan. Apple is launching new phones in September 2018. Depending on its 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 weakness this month as we believe that margin expansions due to good control in operation expenses will continue to drive the stock.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 August 2018, the Volatility Factor (VF) for this fund is 9.6 and is classified as "High". (source: Lipper) "High" includes funds with VF that are above 8.7 but not 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 3 September 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 restrictive geographical market, interest rate risk, credit and default risk, foreign investment risks such as country risk and currency risk and equities investment risks such as market risk and particular security 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.