RHB Asset Management

FUND FACTSHEET – NOVEMBER 2018

All data expressed as at 31 October 2018
unless otherwise stated

3-year Fund Volatility
31.5
very high
Lipper Analytics
15 OCT 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:

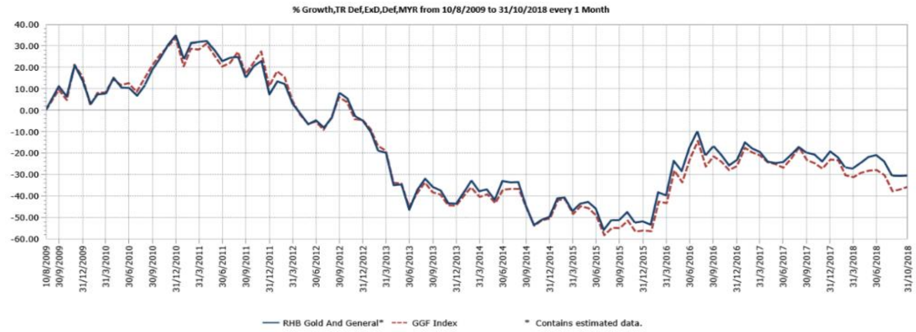
- wish to participate in the potential benefits derived from investment in companies involved in the mining and exploration of precious metals, energy or base metals;
- wish to diversify their investment portfolio from traditional asset classes; and
- are willing to accept a higher risk in their investments 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	**0.19**	**-8.75**	**-7.85**	**-14.23**
Benchmark	1.97	-7.58	-9.09	-16.37

	1 Year	3 Years	5 Years	Since Launch
Fund	**-12.65**	**32.05**	**11.13**	**-30.57**
Benchmark	-14.42	32.43	6.04	-35.49

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

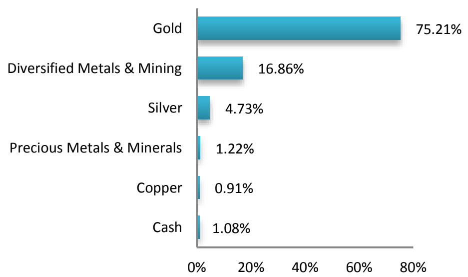
FUND DETAILS

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	RM0.2616
Fund Size (million)	RM176.29
Units In Circulation (million)	673.85
Financial Year End	30 June
MER (as at 30 June 2018)	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

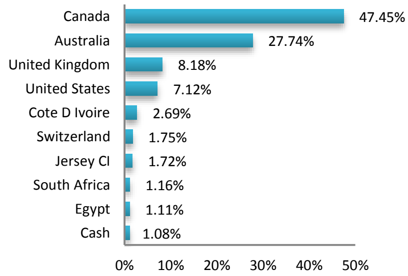
**All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.*
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management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

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

NEWMONT MINING	6.38
BARRICK GOLD	4.34
RIO TINTO PLC	4.34
TECK RESOURCES LTD	4.28
EVOLUTION MINING LTD	4.24

**As percentage of NAV*
**Source: UOBAM, 31 October 2018. Exposure in United Gold & General Fund - 97.63%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.2770	0.3165	0.6393
Low	0.2596	0.2513	0.1622

Source: Lipper IM

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MANAGER'S COMMENTS

MARKET REVIEW

Physical gold started October 2018 at US$1,193/oz and traded sideways in the early part of the month. However, weaker-than-expected U.S. inflation data on 11 October 2018 prompted speculation the Federal Reserve might slow the pace of its interest rate increases. There was also concern over US political factors ahead of the mid-term elections in November 2018. This was sufficient to produce a modest rally in the gold price as speculators moved to cover short positions. The gold price reached an intra-month high of US$1,234/oz on 24 October 2018 before weakening slightly to finish the month at US$1,215/oz.

US economic indicators remained variable, with some indicators pointing to strong growth and others suggesting possible US economic weakness. For example, although the Federal Open Market Committee ("FOMC") outlined a FY18 GDP forecast of 3.1% at its September meeting, the current GDPplus forecast by the Federal Reserve Bank of Philadelphia was for 2.0% growth in 4Q18, the lowest reading for almost one year. However, US wholesale inflation, buoyant consumer sentiment and the lowest unemployment rate in 48 years still suggests the Fed will increase US policy rates again at its December 2018 meeting.

The bounce in valuations for gold-related assets in October 2018 was unsurprising given sizeable short positioning by financial investors. Despite the small rally, the Target Fund Manager notes that COMEX gold positioning remains in extremely oversold territory relative to data over the past twenty years. Historically, such positioning has been the precursor of a strong rally in the gold price. Although Bloomberg data showed total aggregate Gold ETF holdings increased 2,136 tonnes (+0.5% mom), Gold ETF positioning is still lower than that seen over the past twelve months.

IMF data showed the Russian Central Bank added another 37 tonnes in September 2018, increasing that country's official gold reserves to 2,037 tonnes and showed that Russia remains an aggressive purchaser of physical gold. Furthermore, the World Gold Council's 3Q18 Gold Demand Trends report highlighted that net gold purchases by central banks in the third quarter of this year were 22% higher than 3Q17 and the highest quarterly level since the fourth quarter of 2015. While Russia, Turkey and Kazakhstan accounted for the majority of central bank purchases, there have also been recent purchases by India, Poland and Hungary.

Gold equities outperformed physical gold in October 2018, with the higher gold price producing a small expansion in the valuation multiples of listed gold companies. The third quarter reporting season was generally positive, although there was selling pressure on companies that failed to meet their financial or production guidance. Production margins remained at healthy levels with only modest signs of rising cost pressures. The Target Fund is overweight gold equities relative to benchmark, with a preference for companies operating in safe political jurisdictions such as Australia and Canada.

The EMIX Global Mining Index declined in October 2018 on global growth concerns. China's 3Q18 economic growth of 6.5% was the weakest since 1H09, with the Chinese economy expected to slow further as the effects of the US-China trade war take hold. This placed downward pressure on commodity prices and mining equities. Such pressure was partially offset by hopes of a US-China trade deal, as well as an infrastructure-lead policy response from the Chinese government. Continuing political risk factors (for example, changes to the mining laws in Zambia, Tanzania, DRC and Panama) mean that investors continued to have a preference for North American and Australian producers. The Target Fund holds an underweight position relative to benchmark, and remains invested in low-cost producers with strong balance sheets.

West Texas Intermediate crude oil price started October 2018 at US$73.25/bbl and closed the month lower at US$65.31/bbl (-10.8% mom). Sentiment was negatively impacted by increasing US onshore rig activity, as shale oil companies responded to the recent strength in crude oil prices. However, further growth in US rig activity may now depend on boosting pipeline capacity out of the Permian region. The longer-term crude outlook remained split between the effects of steadily tightening US sanctions on Iran and the potential negative demand impact of a US-China trade war.

MARKET OUTLOOK AND STRATEGY

Financial markets expect further 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 less aggressive monetary policies. Together with trade concerns, this divergence may cause volatility in global currency markets and has uncertain implications for global inflation. Unconventional monetary policy could result in higher inflation, which would be positive for gold and potentially positive for general commodity prices. Conversely, a tariff-related downturn in 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.

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