RHB Asset Management

FUND FACTSHEET – MARCH 2019

All data expressed as at 28 February 2019 unless otherwise stated

3-year Fund Volatility **31.0** very high
Lipper Analytics 10 FEB 2019

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:

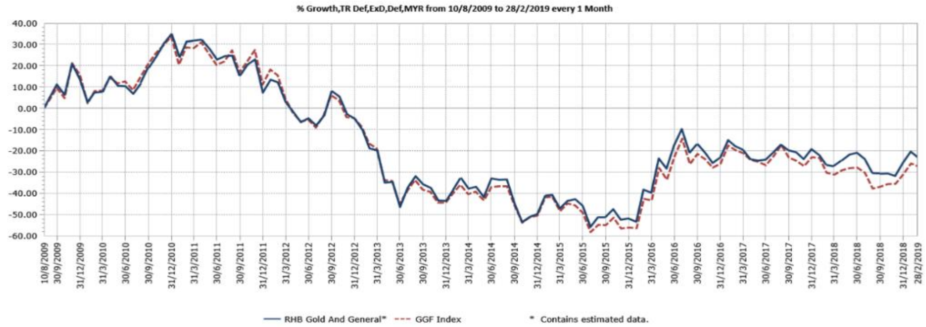
- wish to participate in the potential benefits derived from investment in companies involved in the mining and exploration of precious metals, energy or base metals;
- wish to diversify their investment portfolio from traditional asset classes; and
- are willing to accept a higher risk in their investments 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	**-3.36**	**12.78**	**11.01**	**3.42**
Benchmark	-1.83	12.76	16.77	5.51

	1 Year	3 Years	5 Years	Since Launch
Fund	**4.84**	**24.70**	**14.52**	**-22.95**
Benchmark	4.34	26.56	13.48	-27.15

Calendar Year Performance (%)*

	2018	2017	2016	2015	2014
Fund	**-7.97**	**5.32**	**59.38**	**-4.01**	**-10.92**
Benchmark	-10.48	4.07	68.12	-11.34	-10.72

Source: Lipper IM

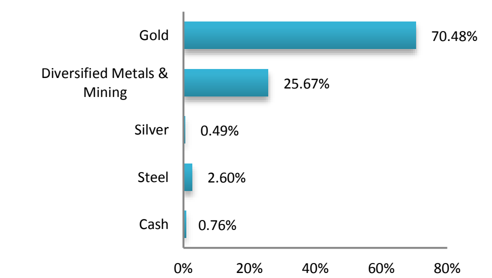
FUND DETAILS

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	RM0.2903
Fund Size (million)	RM176.07
Units In Circulation (million)	606.51
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

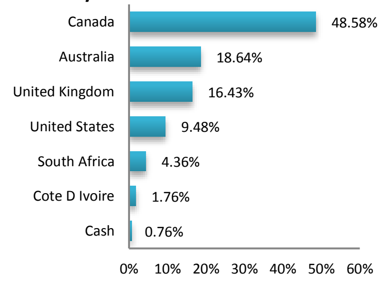
**All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.*
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management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

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

BHP GROUP	9.56
NEWMONT MINING	9.48
AGNICO EAGLE MINES LTD	8.23
BARRICK GOLD	7.58
ANGLO AMERICAN	6.21

**As percentage of NAV*

**Source: UOBAM, 28 February 2019. Exposure in United Gold & General Fund - 97.37%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.3028	0.3028	0.6393
Low	0.2842	0.2513	0.1622

Source: Lipper IM

RHB Asset Management Sdn Bhd (174588-x) **Head Office: Level 8, Tower 2 & 3, RHB Centre, 50400 Kuala Lumpur** **General Line: 603-9205 8000**

www.rhbgroup.com
RHB Group @RHBGroup RHB Group RHBGroup

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MANAGER'S COMMENTS

MARKET REVIEW

Physical gold started February 2019 at US$1,318/oz and rose to as high as US$1,341/oz mid-month amidst optimism of benign interest rate environment and buoyant equity market, before correcting back to US$1,313/oz by the end of the month. Signs that the US and China may reach a possible trade agreement, which could see trade tariffs being rolled back by both countries spurred market sentiment. US also held a second summit with North Korea in end February, which held promise of further denuclearisation of the Korean Peninsula. This, however, ultimately fell through as the summit ended prematurely without any agreement. Mixed economic data from the US, including weak retails sales, industrial production and housing starts, kept a lid on interest rate expectation. To be sure, the rebound in ISM in February indicated a decent economic prospect for the next few months.

Meanwhile, the rest of the world also felt the slowdown in global economic momentum. Eurozone and Japan saw their manufacturing PMIs fall below 50 – suggesting a contraction in manufacturing activities – in February. By early March, the ECB would cut its 2019 growth forecast for the region to 1.1% from 1.7% previously. The central bank also extended its low interest loans to European financial institutions, and promised to maintain record-low interest rates unchanged at least for the rest of the year. The ECB had previously guided for a likely rate hike by September this year. The threat of possible US tariff on car exports from the Eurozone further depressed business sentiments.

With the US being the most promising in terms of economic outlook, the Dollar strengthened against most major currencies, which had a dampening effect on gold price. The Dollar Index (DXY) rose from 95.6 in early February to 97.7 in early March. This also resulted in physical gold to drop below US$1,300/oz in March. This was despite the US Fed continuing to sound dovish, with Chairman Powell suggesting that the Fed Fund rate has reached “roughly neutral” level and that it was “not in a hurry” to hike rate any further. The 2-Year Treasury yield remained stable at around 2.5% for the month of February and even into early March.

COMEX gold positioning continued to move towards more neutral positioning. COMEX long positions increased to 1,014 tonnes (+15% mom) and short positions decreased to 418 tonnes (-4% mom), resulting in an increase in net long positioning to 596 tonnes from 446 tonnes previously. Bloomberg data showed total aggregate Gold ETF holdings dipped to 2,261 tonnes (-1% mom), which is still near a six-year high.

PBOC data showed that China increased its official gold reserves for the third month in February to a total of 1,883 tonnes (+1% mom). The Target Fund Manager believes that the trade tension with the US could have motivated China to increase the gold holdings in its reserves. This could have a strong positive effect on the gold price.

Gold equities underperformed physical gold in February 2019, as gold mining stocks consolidated after rallying for four consecutive months, which saw the benchmark FT Gold Mines Index gaining as much as 36% from its recent bottom. The Target Fund’s underperformance against benchmark was due to the underweight in general commodities. The sector underperformed gold miners in 4Q 2018 due to concerns of US-China trade wars. Signs of easing of the trade tension and expectation of fiscal stimulus in China led to the rally in general commodities producers. Overall, the Target Fund remained overweight in gold equities relative to benchmark and its holdings are predominantly invested in Canadian and Australian producers.

The EMIX Global Mining Index continued to climb in February 2019, as hopes for a US-China trade truce and possible fiscal stimulus in China ran high. Commodity-related stocks also benefited along with the general equity market from a dovish Fed position in terms of future rate hikes. However, the Target Fund Manager believes any rate pause is likely to have the most positive effect on the gold price, so the Target Fund remains underweight in general mining position relative to benchmark, and is invested in low-cost producers with strong balance sheets.

West Texas Intermediate crude oil price extended its rally in February 2019, climbing to US$57.22/bbl at the end of the month from US$53.79/bbl (+6.4% mom) as at end January. Prices rose as top oil producers, including Saudi Arabia and Russia, delivered production cut as promised. Saudi Arabia announced that it would cut more in March. The US sanctions against Iran and Venezuela also gave a boost to oil price.

MARKET OUTLOOK AND STRATEGY

The Fed’s favoured inflation measure (the personal consumption expenditures price index – excluding food and energy) rose marginally in November to 1.9% year on year, but expectations for an acceleration remain subdued. Following the shift in investor expectations towards no more interest hikes from the Fed in 2019 and 2020, the Target Fund Manager has seen this slowly reverse, although a rate cut in 2020 remains more likely than a hike. While the US dollar weakened towards the end of February, it remains much stronger than a year ago. However, if the US dollar begins to weaken more sharply, this could provide further impetus to gold prices in the coming months.