

RHB MALAYSIA DIVIDEND FUND

This Fund aims to provide investors with capital growth and recurring income in the medium to long term through investments in securities of and securities relating to Malaysian companies which offer attractive yields and sustainable dividend payments.

INVESTOR PROFILE

This Fund is suitable for investors who:

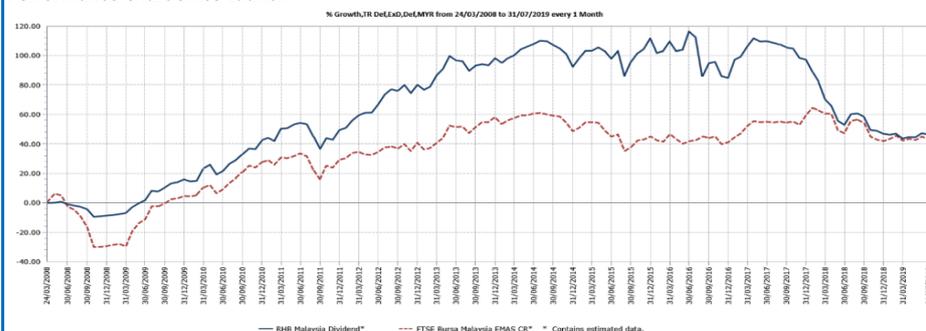
- seek a diversified domestic investment portfolio;
- seek capital growth and recurring income in the medium to long term period;
- seek a steady investment; and
- are willing to accept a moderate risk in their investment.

INVESTMENT STRATEGY

- 70% - 98% of NAV: Investment in equity and equity-related securities of Malaysian companies which offer attractive yields and sustainable dividend payments.
- 2% - 30% of NAV: Investment in liquid assets, fixed income securities, 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	-0.68	1.17	0.05	-0.42
Benchmark	-1.63	-0.54	-0.61	0.54

	1 Year	3 Years	5 Years	Since Launch
Fund	-8.75	-31.19	-30.42	46.14
Benchmark	-8.26	0.04	-11.43	42.66

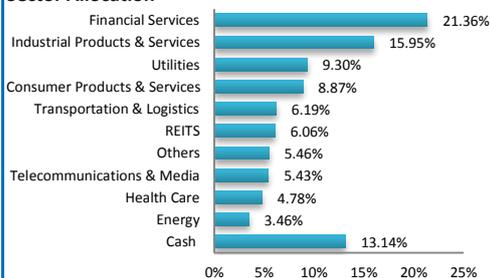
Calendar Year Performance (%)*

	2018	2017	2016	2015	2014
Fund	-25.52	6.64	-12.69	9.97	-2.89
Benchmark	-10.93	12.87	-2.77	-2.26	-6.13

Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Top Holdings (%)*

MALAYAN BANKING BHD	8.88
PUBLIC BANK BHD	7.61
TENAGA NASIONAL BHD	7.01
GENTING BHD	5.06
CIMB GROUP HOLDINGS BHD	4.87

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.1944	0.2118	0.3563
Low	0.1899	0.1830	0.1830

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)	Yield (%)
Mar 2019	-	-
22 Mar 2018	1.4500	5.19
22 Mar 2017	1.4000	4.83
28 Mar 2016	0.9500	3.14
15 Apr 2015	2.3000	6.99

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

MARKET REVIEW

Global equity markets stayed flat in July 2019, up marginally by 0.2%. Asia ex-Japan slid 2.2% in July 2019, dragging YTD returns to 7.0%. Growth headwinds continue to persist in China (-0.9%), prompting calls for a lot more robust domestic monetary reflation than the modest improvement seen in 2Q19. India was one of the worst performing market (-5.5%) wiped out bulk of its YTD gains as foreign investors sold following a disappointing budget that was devoid of any meaningful stimulus to address slackening growth, but instead spelled out higher taxes. Korea (-6.2%) suffered from the deepening rift with Japan over the issue of forced wartime labor compensations that has hence grown into a trade conflict with the implementation of export restrictions of key products by Japan. The Bank of Korea cut rates by 25bp to cushion the adverse impacts on the export-oriented economy. Taiwan was up 1.6% reflected the rise in foundries, while Indonesia (1.3%) helped ASEAN (-1.2%) to relatively outperform the region on the back of a 25bp rate cut by Bank Indonesia.

KLCI retracted -2.23% in July 2019 to 1,635 points. Petronas names Petronas Chemical (-10.8%), Petronas Dagangan (-7.5%) and Petronas Gas (-7.4%) led the decline, while Genting Malaysia (+19.4%) and Dialog (+5.8%) were the top performers on positive newsflow and oil prices. On a YTD basis, KLCI declined -3.30%, led by Hartalega, Petronas Chemical, Top Glove (macro/industry issues) while top gainers were Genting Malaysia, Axiata, Genting Berhad, Digi (newsflow-driven).

BNM has maintained the OPR rate at 3% following the MPC meeting and said that the monetary policy remains accommodative. In 5M19, the government has reduced its fiscal deficit by 39% yoy to RM21.4 bil, on track to achieve fiscal deficit target of 3.4% of GDP in 2019. Malaysia Nikkei PMI fell to 47.8 in June 2019 vs. 48.8 in May 2019. Meanwhile, the IPI increased 4% yoy in May 2019, above consensus' expectation of 3.5%. June 2019 CPI rose to a 13-month high of 1.5% YoY (vs. May 2019's 0.2%) on the back of a low base effect due to the removal of GST in June last year.

On the corporate front, GENM's outdoor theme park is back on track after GENM entered into a settlement agreement with Disney and Fox. RHB has received approval from BNM to commence negotiations for the disposal of its 94.7% stake in RHB Insurance to Tokio Marine. Tenaga announced that it is undergoing internal restructuring and plans to place its domestic power generation and electricity retail businesses into two new wholly owned subsidiaries ahead of the electricity reforms.

MARKET OUTLOOK AND STRATEGY

Macro headwinds particularly US-China trade tensions and slower global economic growth remain the key dampener for the Malaysian market. The equity market remains vigilant of the progress of trade talks between the US and China which is a key financial market driver in the near term.

We opined that equity markets will be further lifted by the optimism of a wave of easing monetary policy by central banks globally given the persistently subdued inflation and economic growth momentum. This is despite the weakening economic growth outlook as evident in IMF's 4th successive global growth downgrade since October 2018.

On the domestic front, earnings growth is likely to remain subdued. The challenging economic environment faced by most companies has manifested in a string of largely moderated economic data. While domestic demand remains supportive of the economy, external uncertainties and slowing economic growth continue to act as downside risks to the market.

In addition, business and consumer sentiments remain uninspiring at this juncture, according the MIER surveys. This does not bode well given the critical role played by private consumption and investment as our key growth driver. Looking forward, we continue to expect government policies to drive KLCI performance.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 July 2019, the Volatility Factor (VF) for this fund is 12.3 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are more than 11.2 (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 2019 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 2019.

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 August 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 for the Fund are market risk, particular securities risk, interest rate risk and credit/default 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.