

### 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:

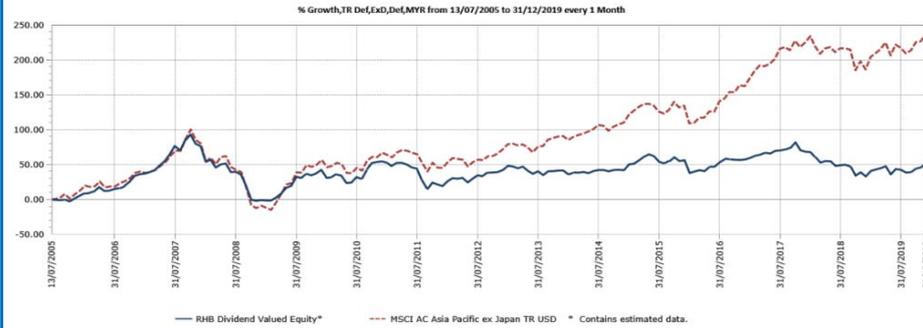
- want capital growth as well as income; and
- willing to accept short term fluctuations in capital values.

#### 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	4.15	9.27	5.91	14.28
Benchmark	3.66	8.05	5.25	18.27

	1 Year	3 Years	5 Years	Since Launch
Fund	14.28	-3.06	7.35	52.06
Benchmark	18.27	29.14	61.21	238.39

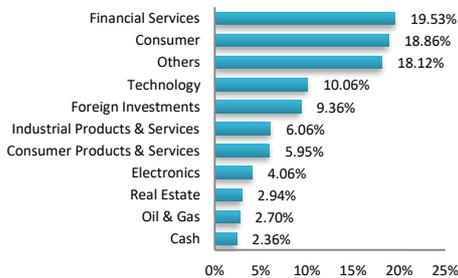
##### Calendar Year Performance (%)\*

	2019	2018	2017	2016	2015
Fund	14.28	-21.10	7.51	0.15	10.57
Benchmark	18.27	-11.86	23.88	11.86	11.60

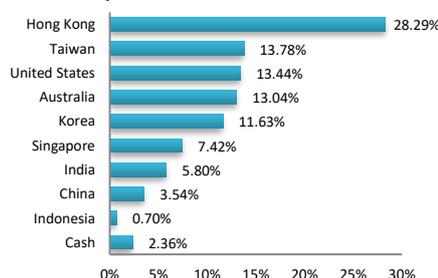
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



##### Top Holdings (%)\*

TENCENT HOLDINGS LTD	6.64
ALIBABA GROUP HOLDING LTD	6.48
TAIWAN SEMICONDUCTOR MANUFACTURING	6.25
SAMSUNG ELECTRONICS CO LTD	4.55
ISHARES MSCI INDIA INDEX ETF	4.17

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.3484	0.3484	0.6866
Low	0.3264	0.2943	0.2762

Source: Lipper IM

##### Historical Distributions (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.

## RHB DIVIDEND VALUED EQUITY FUND

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### MANAGER'S COMMENTS

#### MARKET REVIEW

The market welcomed easier financial conditions and a détente of trade war tensions between US and China. Asian markets, as measured by MSCI Asia Pacific ex Japan, posted its fourth consecutive month of positive return, gained 5.6% in December. All sectors reported positive gains for the month. Within sectors, information technology (10.3%) and Communication Services (8.0%) outperformed. On the other side, consumer staples (0.3%) underperformed. Within the region, Korea (8.9%), China (8.3%), Taiwan (7.2%) outperformed while India (1.5%) and Asean countries such as Thailand (0.8%), Philippines (1.6%), Singapore (3.0%) and Malaysia (3.9%) underperformed. Crude oil gained 8.3% as OPEC+ agreed to cut output on fears of over supply due to economic slowdown.

Asian markets were buoyed by easing US-China trade relations. "Phase 1" agreement - where China would increase purchase of US agricultural products, strengthen intellectual property provisions, and issue new guidelines on how it manages its currency – is scheduled for signing on 15 January. In December, the trade ministers of China, Japan and South Korea agreed to work towards a regional trade pact and putting a positive front to the Japan-Korea tensions. Domestically, the People's Bank of China guided commercial banks to switch loans to Loan Prime Rate and effected a 50bp RRR cut. Meanwhile, the revision of Securities Law which reduces red tape for initial public offering while increase protection to markets was approved. December manufacturing PMI stabilized at 50.2. Other macroeconomic indicators also such as Industrial Production, fixed asset investment and retail sales also show signs of improvements. Hong Kong (3.5%) underperformed China. GDP growth is expected to contract in 2019 as months of protest took its toll of economic activity. Unemployment rate increased to 3.2% in November while retail sales volume growth contracted 26.2%oya in October.

Korea and Taiwan outperformed, with gains supported by gains in the Technology sector. 5G infrastructure build which consequently boost technology upgrade cycle led to strong rally in Tech stocks. Commodity technology sector components such as DRAM and passive equipment also gained.

Australia (1.3%) underperformed the region. The Australian dollar was however the best performing currency in December, as the AUD rallied on improving global growth sentiment and rising bond yields. India (1.5%) underperformed as the RBI unexpectedly kept rates on hold at 5.15%. The government announced a US\$1.4 trillion National Infrastructure investments over the next 5 years, doubling spending over the previous 5 years. In terms of sector performance, IT Services, followed by domestic cyclical Financials and Consumer Discretionary outperformed in December.

Singapore November Non-oil Exports (NODX) was stronger than expected, -5.9% y/y. 2019 GDP slowed to 0.7% according to the Prime Minister in his New Year speech. In corporate news, Yangzjiang rebounded strongly on news that the executive chairman returned to work since being away from August. Property developers were also higher as private home sales were tracking above expectations.

Malaysia's PMI rose to a 15-month high in December to 50. Malaysia's palm oil inventory continues to contract to 2.26mt in November on production declines and exports also +2% y/y with a growth of 15% November year to date. Thailand continues to show weakness in domestic demand and tourism indicators moderated as the low base effects from the Phuket boat accident faded. Consumer confidence index inched lower to a 5 year low of 69.1. Manufacturing and exports continue to perform poorly.

Philippines had a volatile month in December. President Duterte questioned the water concession agreements of the Maynilad and Manila Water. The sanctity of the contracts were put into question as government's statement were in opposition to the finance and justice chiefs. The central bank has also kept rates steady. In Indonesia, the introduction of the Omnibus Law was well taken by the market as it was seen as a policy reform to support FDI. Also the Cabinet was discussing on the potential amendment of the 3% fiscal deficit cap. There were also mixed views on potential future government intervention for SOE banks on the lending rate infrastructure.

#### STRATEGY

With the two biggest tail risks – the trade war and Brexit – seemingly addressed, markets are embracing the improved global outlook. The portfolio turned more positive during the month, as we added positions into some cyclical sectors. The base case scenario remains that no foreseeable recession will occur over the next few quarters. However, the portfolio remains with preference for long-term structural themes such as 5G Technology upgrade cycle. We remain positive on China as calibrated policy easing supports growth while risks from trade war subsides. Lastly, we prefer companies with strong balance sheets, high levels of free cash flow with the ability to support share buybacks.

#### DISCLAIMER:

Based on the fund's portfolio returns as at 10 December 2019, the Volatility Factor (VF) for this fund is 12.0 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 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.