RHB Asset Management

FUND FACTSHEET – JANUARY 2020

All data expressed as at 31 December 2019 unless otherwise stated

3-year Fund Volatility 11.5 very high
Lipper Analytics 10 DEC 2019

RHB RESOURCES FUND

This Fund aims to achieve long term capital appreciation through investments in securities of companies whose businesses are in or are substantially related to the natural resources sectors.

INVESTOR PROFILE

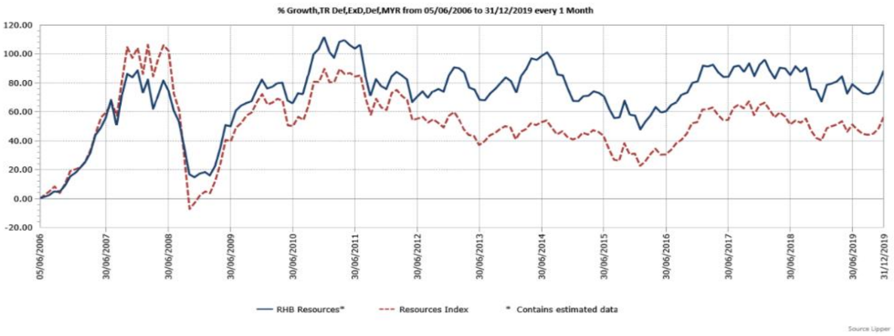
This Fund is suitable for investors who:
- wish to capitalise on the opportunities offered by the natural resources sectors;
- seek an investment well-diversified across the Asia Pacific markets;
- are willing to accept moderate to high risk in their investments; and
- prefer capital growth rather than income over a long term period.

INVESTMENT STRATEGY

- Up to 98% of NAV: Investments in securities of companies whose businesses are in or are substantially related to the natural resources sectors.
- 2% - 5% of NAV: Investments in liquid assets including bonds, 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	**5.18**	**9.36**	**5.27**	**12.75**
Benchmark	5.39	8.51	3.47	11.49

	1 Year	3 Years	5 Years	Since Launch
Fund	**12.75**	**3.92**	**12.30**	**88.20**
Benchmark	11.49	2.34	10.97	56.33

Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	**12.75**	**-13.27**	**6.27**	**15.01**	**-6.04**
Benchmark	11.49	-14.80	7.73	16.58	-6.98

Source: Lipper IM

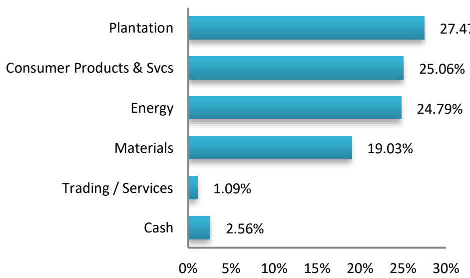
FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Equity Fund
Fund Type	Growth Fund
Launch Date	16 May 2006
Unit NAV	RM0.5750
Fund Size (million)	RM22.71
Units In Circulation (million)	39.49
Financial Year End	31 March
MER (as at 31 Mar 2019)	1.92%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	50% FBM Asian Palm Oil Plantation+25% Bloomberg Asia Pac Mining(RM)+25% MSCI Asia Pac Energy(RM)
Sales Charge	Up to 5.26% of investment amount*
Redemption Charge	None
Annual Management Fee	1.50% p.a. of NAV*
Annual Trustee Fee	Up to 0.07% p.a. of NAV*
Redemption Period	Within 10 days after receipt the request to repurchase
Distribution Policy	Annually, if any and will be reinvested

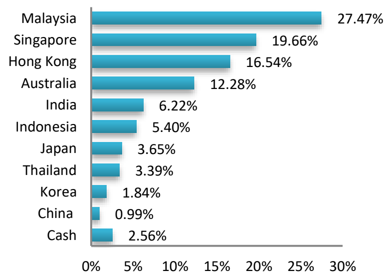
**All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.*
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management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

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

KUALA LUMPUR KEPONG BHD	10.23
WILMAR INTERNATIONAL LTD	10.02
IOI CORP BHD	8.12
FIRST RESOURCES LTD	6.02
BHP GROUP LTD	5.52

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5791	0.5794	0.8501
Low	0.5430	0.5007	0.3965

Source: Lipper IM

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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 with global equities markets posted its fourth consecutive month of positive return, up 3.4% for the month of December after gaining 2.3% in November. Within sectors, energy (5.1%), materials (5.0%) and information technology (4.8%) outperformed. On the other side, industrial (1.3%), real estate (1.8%), consumer staples (2.0%) and communication services (2.8%) underperformed. Within regions, Asia ex-Japan (6.4%), UK (5.0%) and Europe (3.9%) outperformed while US (2.8%) and Japan (2.0%) underperformed.

The Federal Reserve began the purchase of Treasury bills at the rate of USD60 billion per month in mid-October and will purchase bills at least into the second quarter of 2020. In addition, repo operations will continue at least through January: term operations of at least USD35 billion twice per week and overnight operations of at least USD75 billion. The FOMC kept the target range unchanged at 1.5-1.755 at its December meeting. The meeting went largely as expected as the Committee expressed less concern about "uncertainties," and indicated that the current stance of monetary policy is appropriate. The dot plot signals a rate hold through 2020, one hike in each of 2021 and 2022, and an unchanged neutral rate of 2.5%. Fed Chair Powell remain dovish during the press conference. The FOMC is scheduled to conclude its policy framework review around mid-year, with adoption of some form of average inflation targeting the most likely outcome pointing to a more dovish stance.

Geopolitical tail-risks have abated but they have not disappeared, a point underscored by this week's US drone strike on an Iranian military leader. Thus far, the rise in oil prices has been more muted than the spike seen following the Iranian strike on a Saudi oil facility in September. This price action likely reflects the view that any response will not have a major impact on global oil supply. Even if this view is correct, Brent crude oil prices currently stand close to $69bbl, and have been moving up steadily last quarter. Indeed, after falling 9% over 3Q19 oil prices rose 19% over the past three months.

Iron ore continues on a steady decline from November as we see the Brumadinho supply shock normalize. Having soared early in the year, questions are now being asked about the iron ore price: whether these levels have longevity and, perhaps more importantly, whether they can incentivize new investment.

India's recent import duty reduction for both CPO and refined palm oil is supportive prices. Specifically, CPO futures have risen 43% over the last 3 months to RM3,100 with spot CPO prices rising to RM3,015 (+45% over last 3 months).

MARKET OUTLOOK AND STRATEGY

On CPO – we see demand to continue to grow +3%YoY from Indonesia's step-up in biodiesel mandate from B20 to B30 and increased buying from China (due to ASF) and India (further reduced import tariffs on palm oil). The much-anticipated inventory correction is taking place and stockpile is normalizing towards a three-year average level. In 2020, we expect inventory levels to tighten further as supply slows (lagged impact of reduced fertilizer application and mild El Nino in 2019) while demand picks up (driven by Indonesia's B30 mandate as well as increased buying from China and India). Continue to be OW CPO in our fund.

Iron ore should be a focus in January as we note the iron ore seasonal trade which will likely come in the first two months of the year. This when there is a boost on the demand side as China ramps inventory into New Year holiday (as blast furnaces must keep running) while disruptions become more likely from cyclones or monsoons in Brazil and Australia. Also on the supply side in Chinese winter, pellet feed freezes so they must import more from the seaborne market. This will likely be supportive for iron ore prices in the early months of the year.

On crude oil, we the possibility of Brent reaching $75 in the near-term led by geopolitical risk premium and increasing odds of additional supply disruptions. Key drivers to watch are 1) improving demand, 2) US producer discipline, and 3) IMO benefits

In summary, we continue to like CPO as we are trending into a strong 2020 with S/D dynamics in our favor. Crude oil is also heading into an upturn given higher geopolitical risk and possible production cuts. As such, we will be increasing our weight in major oil players. Refining space continue to be a mainstay in our portfolio as we see marginal impact from IMO 2020 being realized entering 2020.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 December 2019, the Volatility Factor (VF) for this fund is 11.5 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 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 price volatility, focus on natural resources sectors, changes in environmental regulations and laws, country risk and currency 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.