

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:

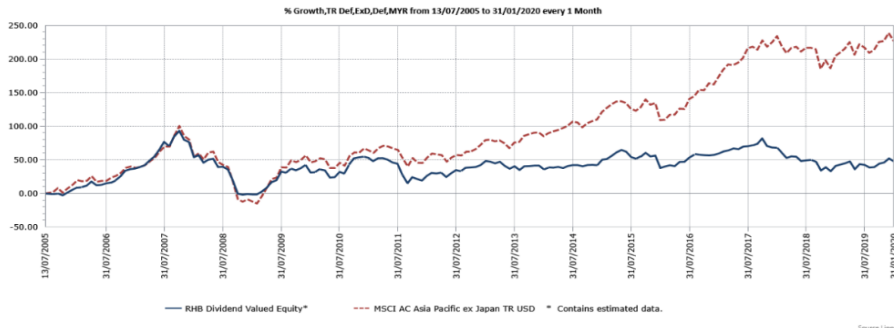
- want capital growth as well as income; and
- willing to accept short term fluctuations in capital values.

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	-2.99	2.20	3.53	-2.99
Benchmark	-3.52	0.39	2.99	-3.52

	1 Year	3 Years	5 Years	Since Launch
Fund	4.64	-7.32	-1.65	47.51
Benchmark	7.30	19.26	47.67	226.47

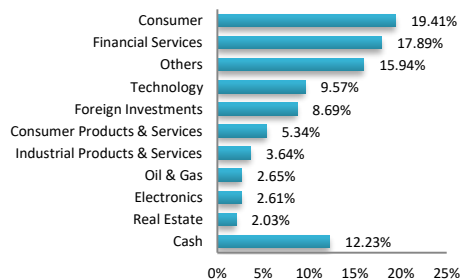
Calendar Year Performance (%)*

	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

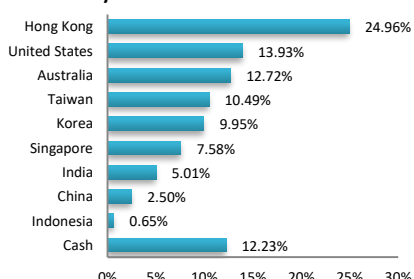
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

TENCENT HOLDINGS LTD	6.92
ALIBABA GROUP HOLDING LTD	6.60
TAIWAN SEMICONDUCTOR MANUFACTURING	6.28
SAMSUNG ELECTRONICS CO LTD	4.68
ISHARES MSCI INDIA INDEX ETF	4.33

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.3568	0.3568	0.6866
Low	0.3339	0.3066	0.2762

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
May 2019	-	-
24 May 2018	2.0500	5.11
23 May 2017	4.2000	10.04
26 May 2016	2.6000	6.06
May 2015	-	-

Source: RHB Asset Management Sdn. Bhd.

RHB DIVIDEND VALUED EQUITY FUND

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MANAGER'S COMMENTS

MARKET REVIEW

Asian markets as measured by the MSCI Asia Pacific ex Japan Index plunged 3.7% in the month of January due to the outbreak of the Coronavirus (2019-nCov). This more than offset positive developments of the United States (US) -China Phase One trade deal signed. The energy (-9.1%) sector was particularly under pressure, with WTI oil prices sinking below USD50 per barrel over concern of weaker consumption from China. Cyclical sectors such as energy (-8.1%), materials (-5.1%) and real estate (-6.4%) were also affected. On the other side, Healthcare (+2.1%) was the only sector that registered gains. Within the region, Australia (+0.1%) outperformed, while Thailand (-8.6%), Philippines (-8.0%) underperformed.

The Coronavirus outbreak was first discovered on 8 December 2019 and notified by World Health Organization on 31 December. The World Health Organization has declared the coronavirus outbreak a "Public Health Emergency of International Concern" but has not yet recommended a travel ban. As of 4 February 2020, 194 out of the total 20,679 confirmed cases recorded was outside of China. Following a rise in the number of reported cases of virus outside of China, there are increasing numbers of countries, including the US, Japan, Singapore and Australia, that have announced travel bans, not only for residents and visitors to Wuhan, but for all those who have recently been to China.

While the virus should negatively impact China's growth, Chinese authorities are willing to provide additional stimulus if necessary. So far, the PBOC is pledging to inject liquidity into the system via reserve repo while lower policy rates by 10bps. As the Chinese economy is now much larger when compared to 2003 during the SARS epidemic (Nominal GDP of about USD14 trillion vs USD1.5 trillion in 2003) and more connected to the rest of the world, the impact on global growth would be significantly higher this time. Investors should continue to pay attention to the number of new cases of the virus. An increasing number of studies are pointing to an RO of around 2.5 – which could indicate a peak in the number of cases potentially within two weeks if the situation is contained.

Korea and Taiwan underperformed as investors took profit on news of coronavirus outbreak. In Taiwan, President Tsai Ing-wen was re-elected for a second term. Foreigners were net sellers of the market after 4 months of in-flows. Technology sector underperformed on concerns that Huawei may cut orders on the back of weak sell through of 5G smart phones in China and risks of tighter regulations on Huawei. Investors also used fears from Coronavirus to take profit on the sector's outperformance. Consumer discretionary stocks on the other hand fell the most due to its negative sentiment from China exposure.

Australia was the best performer in the region. AUD declined 4.7% against the USD as the yield on the Australian 10-year fell, dropping to below 1%. The gain was led by Healthcare sector (+7.2%). India (-0.8%) outperformed. Economic data were generally stronger than expected. Wholesale Price Index and Consumer Price index gained 2.6% and 7.4% respectively. November industrial production also gained more than expected at 1.8% in October. Communication Services, Consumer Staples and Industrials were the best-performing sectors, while Energy, Consumer Discretionary and Utilities were laggards.

Within ASEAN, Thailand and Philippines bore the brunt of the decline, -8.0% and -8.2% respectively in local currency. Philippines market was also shaken by heightened political risk that the government declared the original concession contract as void ab initio with the water concessionaries. Thailand banned group tours from China due to the Wuhan coronavirus. Chinese arrivals account for about 30% of total tourist arrivals of which 70% are from group tours. There are also delays in the FY 2020 budget and impact from severe drought situation which will likely impact the farm incomes. The drought will likely impact the rural private consumption. Also the delays in budget means that new investment projects cannot move forward.

Singapore, Indonesia and Malaysia fell -3.6%, -4.8% and -3.8% respectively. The Indonesia Rupiah was the only ASEAN currency which saw an appreciation of 1.5% against the US dollar in January. The rest of the ASEAN currencies depreciated against the greenback. Singapore also introduced travel restrictions on 1st February 2020 to people travelled to mainland China in the past weeks. This will likely impact the tourism and retail industries which the government mentioned that there will be a relief package to tie through this period. Indonesia saw increase FDI into the country after President Jokowi's trip to various countries to shore up investments. The total amount of FDI could be as large 8.3% of GDP if fully realized. CPO price has also soared significantly in the country and could be positive for the purchasing power of its people.

Oil prices declined by ~15%, which was the largest monthly decline since May 2019. That was the biggest monthly percentage decline for crude since May of last year. Fears of dampened demand from China due to the coronavirus outbreak more than offset supply implemented by the Organization of the Petroleum Exporting Countries (OPEC).

STRATEGY

In view of the current uncertainties surrounding the Coronavirus, the portfolios have adopted a defensive stance with increased cash levels. The portfolio have already reduced travel related, cyclical sectors, China discretionary retail and China property. We will continue to be positive on sectors including healthcare, E-commerce, domestic express delivery and online gaming sectors. In addition, the portfolio remains with preference for long-term structural themes such as 5G Technology upgrade cycle.

With the higher cash levels, we will continue to be nimble to try to take advantage of stocks and sectors that will inevitably be over sold as the situation possibly worsens over the course of the next few weeks.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 January 2020, the Volatility Factor (VF) for this fund is 12.2 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are more than 11.1 (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 31 December 2019 which is calculated once every six months and is valid until its next calculation date, i.e. 30 June 2020.

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.