

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:

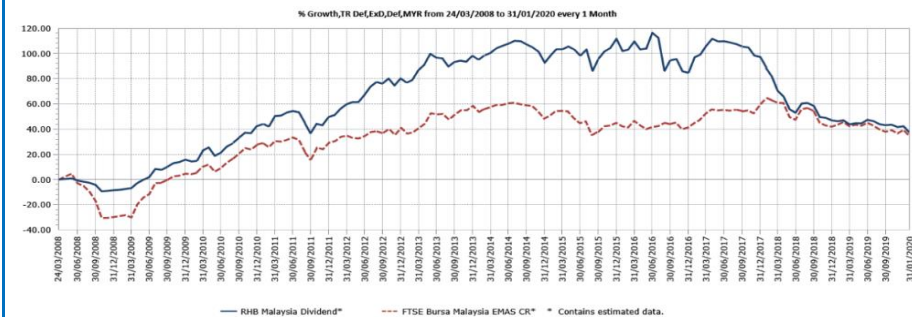
- seek a diversified domestic investment portfolio;
- seek capital growth and recurring income in the medium to long term period;
- seek a steady investment; and
- are willing to accept a moderate risk in their investment.

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	-3.63	-4.46	-6.32	-3.63
Benchmark	-3.83	-3.68	-6.04	-3.83

	1 Year	3 Years	5 Years	Since Launch
Fund	-6.27	-30.54	-31.02	36.90
Benchmark	-6.61	-7.25	-11.26	34.05

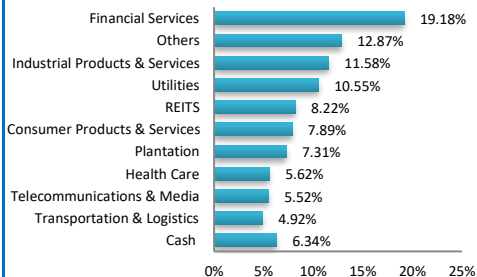
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	-3.20	-25.52	6.64	-12.69	9.97
Benchmark	-1.77	-10.93	12.87	-2.77	-2.26

Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Top Holdings (%)*

MALAYAN BANKING BHD	7.99
TENAGA NASIONAL BHD	7.80
PUBLIC BANK BHD	6.44
DIALOG GROUP BHD	4.40
GENTING BHD	3.89

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.1870	0.1944	0.3563
Low	0.1779	0.1779	0.1779

Source: Lipper IM

Historical Distributions (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

FBM KLCI index did have a boost at the start of the year, it all went downhill from the second week onwards when the news broke out on Iran hitting a United States (US) military base in Iraq in retaliation against US forces for the killing of general Qasem Soleimani in Baghdad on 3 January 2020. The index hasn't really looked back since with major global news headlines focusing on anything and everything relating to the coronavirus. In line with the global risk off sentiment, the FBM KLCI closed -3.6% for the month of January 2020. Commodities particularly Brent crude oil and Crude Palm Oil (CPO) were sold down due to fears over softer demand. Concern on demand on CPO from China coupled with news on India restricting purchases of refined palm oil from Malaysia led the CPO futures to also fall -15% to RM2,650/MT. Winners to start the year were seen in gloves and healthcare. Major losers for the month were the energy index (as global oil prices tumbled on macro concerns) and plantations.

MARKET OUTLOOK AND STRATEGY

Corona virus will have a short term impact on regional GDP growth. The stricter quarantines and travel bans issued now will likely hurt consumer and traveller sentiment more than did the efforts to counter SARS. Asian economies entered this crisis with much less momentum than during SARS, and we see a risk that macro weakness could persist even after the Corona virus recedes. Hong Kong, Singapore, Thailand and China are the most vulnerable. Indonesia and India the least vulnerable. Among sectors, the virus should not greatly affect global IT demand and could help Internet names with e-commerce businesses.

We remain constructive on CPO and would look for buying opportunities given current share price weakness. CPO price corrected by -13.4% from RM3,052/MT levels end-2019, and similarly share prices of the Malaysian planters by 8-9%. The weakness was initially due to concerns on India's imposing restrictions on imports of refined palm oil ban from Malaysia and exacerbated by concerns on China's demand due to coronavirus. We reckon that fundamentals remain intact with a tight stock-to-usage ratio which will be more apparent towards the end of March 2020. In our view, India's restrictions on Malaysia CPO is expected to be temporary as China and Pakistan may source more CPO from Malaysia.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 January 2020, the Volatility Factor (VF) for this fund is 9.4 and is classified as "High". (source: Lipper) "High" includes funds with VF that are above 8.8 but not 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 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.