RHB Asset Management

FUND FACTSHEET – MARCH 2020

All data expressed as at 29 February 2020 unless otherwise stated

3-year Fund Volatility 12.3 very high Lipper Analytics 11 FEB 2020

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:

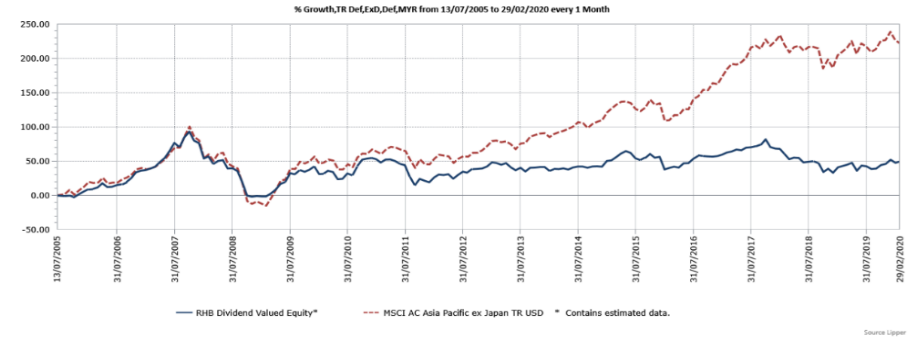
- want capital growth as well as income; and
- willing to accept short term fluctuations in capital values.

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	**1.53**	**2.57**	**8.10**	**-1.51**
Benchmark	-1.49	-1.48	4.09	-4.96

	1 Year	3 Years	5 Years	Since Launch
Fund	**4.86**	**-7.57**	**-0.69**	**49.76**
Benchmark	4.06	13.29	41.91	221.61

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 DETAILS

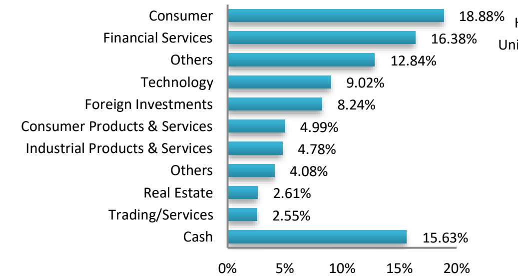
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Equity Fund
Fund Type	Capital Growth and Income Fund
Launch Date	13 July 2005
Unit NAV	RM0.3390
Fund Size (million)	RM4.87
Units In Circulation (million)	14.36
Financial Year End	31 May
MER (as at 31 May 2019)	2.77%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	MSCI Asia Pacific Free ex Japan Index
Sales Charge	Up to 5.00% of NAV per unit*
Redemption Charge	None
Annual Management Fee	Up to 1.80% p.a. of NAV*
Annual Trustee Fee	0.06% p.a. of NAV*
Switching Fee	RM25.00 per switch*
Redemption Period	Within 10 days after receipt the request to repurchase
Distribution Policy	Annually, if any

**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.*

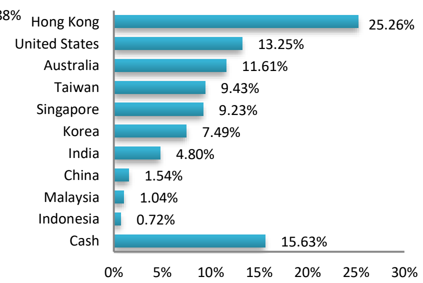
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

TENCENT HOLDINGS LTD	7.29
ALIBABA GROUP HOLDING LTD	6.79
TAIWAN SEMICONDUCTOR MANUFACTURING	6.31
SAMSUNG ELECTRONICS CO LTD	4.50
ISHARES MSCI INDIA INDEX ETF	4.08

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.3577	0.3577	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.

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MANAGER'S COMMENTS

MARKET REVIEW

Asian markets as measured by the MSCI Asia Pacific ex Japan Index declined 2.9% following a 3.7% decline in the month of January. Markets continue its downwards trajectory as confirmed cases across the globe for the novel coronavirus (Covid-19) continue to surge. Energy (-9.0%) sector continued to be under pressured with WTI oil price sinking below USD 50 per barrel. OPEC have already curbing oil output under a deal that runs to the end of March and they are scheduled to meet on March 5-6 to decide further policy. Asean markets Indonesia (-12.8%), Thailand (-12.6%), Singapore (-7.1%) underperformed the region. China (+1.0%) rebounded from the Covid-19 induced sell-off in January.

China returned from the extended Lunar New Year break in January. Markets rebounded from its initial sell-off as Covid-19 appears to be contained in China and the government stepped-up policy support. The People's Bank of China (PBOC) lowered loan prime rate and medium term lending facility by 10bp, provided credit support for corporates. In addition, fiscal policies such as infrastructure investments and policy support on property sector. Healthcare (+5.6%) outperformed. Sectors that benefits from policy stimulus such as materials (+5.1%), Real Estate (+4.9%), and Information Technology (+4.3%) also outperformed. ON the other hand, Utilities (-6.3%) and Energy (-8.1%) declined on the back of lower oil prices. Hong Kong (-1.5%) followed China's performance. Macau gaming stocks corrected following a government mandated closure and a drop in gross gaming revenue. Over the month, Hong Kong's government announced a HKD 120bn counter-cyclical fiscal package consisting of cash disbursements and tax reduction.

The number of Covid-19 infection cases in Korea rose rapidly to 2300 cases as at end February, becoming the largest infected nation outside to China. The Bank of Korea contrary to market expectations maintained its hawkish stance, leading to a sell-off in the market. The sell-off was broad-based, with all sectors reporting negative returns. Taiwan (-1.9%) outperformed the region. Technology sector (-2.4%) declined on lowered smartphone shipments post the Covid-19 outbreak. However, performance of the sector was held-up by the technology roadmap for 5G as well as beneficiaries of the Covid-19 outbreak such as datacenter demand.

India (-7.4%) was one of the worst performing markets in Asia despite continued inflows from domestic and foreign investors. The Reserve Bank of India (RBI) kept policy rates on hold in line with consensus expectations, while maintaining its accommodative stance. Australia (-11.5%) corrected due to concerns of worsening global macroeconomic outlook. The reporting season ended with more misses than beats, and companies providing cautious outlook due to impact of Covid-19.

ASEAN markets continue its fall in February as the COVID-19 outbreak becomes a global problem. Thailand and Indonesia fell the most, -11.5% and -8.2% respectively, in local currencies. Philippines Singapore and Malaysia trailed behind falling 5.7%, 4.5% and 3.1% in February. ASEAN currencies depreciated against the greenback with Indonesia Rupiah depreciating the most at 4.8%.

Thailand faces multiple headwinds on tourism which is a large part of their economy and could face further downgrades to GDP as the COVID-19 spreads, delay in the 2020 budget implementation and drought. The National Economic and Social Development Council (NESDC) slashed its 2020 GPD forecast range to 1.5%-2.5% from (2.7% to 3.7%) on reduced exports of goods and services. Tourist arrivals was revised down to 37million in 2020 on the premise that COVID-19 outbreak would peak in March and China's ban on outbound tourism will be lifted by early May. Both BOT and Deputy Premier Somkid recently stated that growth could come in below 1% in 1Q20.

Indonesia slightly downgraded its 2020 GDP forecast to 5.0%-5.4%. Bank Indonesia (BI) cut its interest rate by 25bps and left the door open for further rate cuts. Floods in Jakarta and fund redemption led to the weaker sentiment and a decline in the index. The BI mentioned that they would intervened in the FX markets to prevent volatility in their currency.

Philippines is expected to cut rates going forward given the Taal volcanic eruption and downside risks from COVID-19. China government is also cracking down on POGOs with passport cancellation for crimes relating to telecommunication fraud.

Singapore COVID-19 related stocks especially in the tourism sector underperformed. Singapore activated the DORSCON Orange as new infections of COVID-19 were not traceable. The government announced the 2020 budget which surprised with a 2.2% fiscal deficit / GDP. The government is aiming to stabilise the domestic economy with a S$4billion stabilisation and support package for the tourism sector, up to S$1m for tourism operators. This package is 10x the size given out in SARS in 2003. GST will also remain at 7% in 2021.

Malaysia faced a political upheaval as the Prime Minister Dr. Mahathir resigned. After a few days of uncertainty, the King has announced that Muhyiddin would be the next Prime Minister and it was believed that he has the majority to form the government. Malaysia also announced a MYR 20billion stimulus package to boost its economy. The 2020 GDP forecast was also lowered to 3.2-3.4% from 4.8%.

STRATEGY

We took a defensive stance and raised cash on concerns that Covid-19 outbreak will reduce economic activity. The portfolio have already reduced travel related, cyclical sectors such as discretionary retail. 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.

The virus outbreak continues to spread globally, while seemingly well controlled in China. On the other hand, governments and central banks will announce stimulus and cut interest rates, hence, supporting economic growth and risk assets. With 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.

RHB Asset Management Sdn Bhd (174588-x) **Head Office: Level 8, Tower 2 & 3, RHB Centre, 50400 Kuala Lumpur** **General Line: 603-9205 8000**

www.rhbgroup.com

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RHB Asset Management Sdn Bhd (174588-X)