RHB Asset Management

FUND FACTSHEET – APRIL 2020

All data expressed as at 31 March 2020 unless otherwise stated

3-year Fund Volatility 12.3 very high Lipper Analytics 10 MAR 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

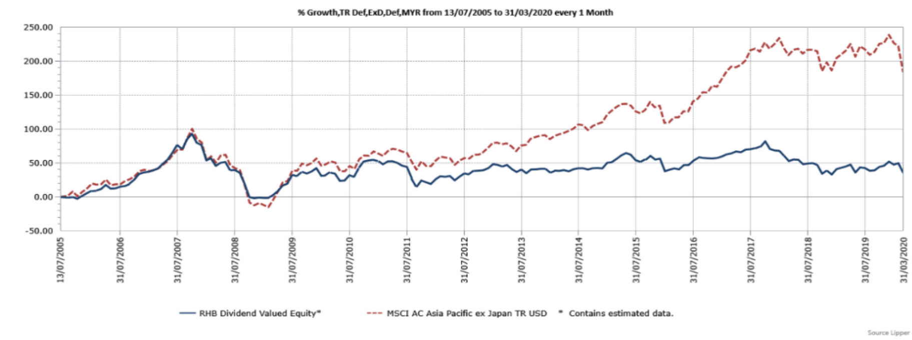
This Fund is suitable for investors who:
- want capital growth as well as income; and
- willing to accept short term fluctuations in capital values.

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	**-9.59**	**-10.95**	**-2.70**	**-10.95**
Benchmark	-11.87	-16.24	-9.50	-16.24

	1 Year	3 Years	5 Years	Since Launch
Fund	**-6.53**	**-17.24**	**-12.96**	**35.40**
Benchmark	-10.05	-2.83	22.02	183.44

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

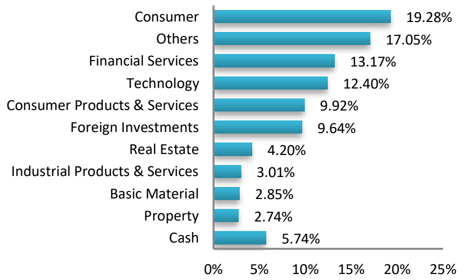
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Equity Fund
Fund Type	Capital Growth and Income Fund
Launch Date	13 July 2005
Unit NAV	RM0.3065
Fund Size (million)	RM4.34
Units In Circulation (million)	14.18
Financial Year End	31 May
MER (as at 31 May 2019)	2.77%
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.*

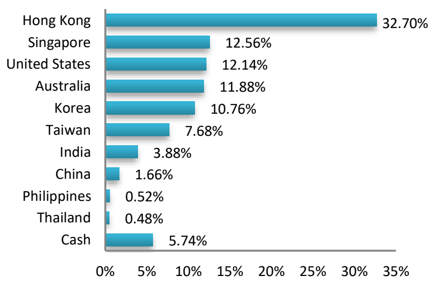
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

TENCENT HOLDINGS LTD	8.26
ALIBABA GROUP HOLDING LTD	7.26
TAIWAN SEMICONDUCTOR MANUFACTURING	5.38
SAMSUNG ELECTRONICS CO LTD	4.52
ISHARES MSCI INDIA INDEX ETF	3.67

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.3441	0.3577	0.6866
Low	0.2840	0.2840	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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RHB Asset Management Sdn Bhd (174588-X)

RHB DIVIDEND VALUED EQUITY FUND

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MANAGER'S COMMENTS

MARKET REVIEW

Asia Pacific markets as measured by the MSCI Asia Pacific ex Japan Index sold off 14.3% following a 2.9% decline in the month of February. Markets continue its downwards trajectory as confirmed cases across the globe for the novel coronavirus (Covid-19) continue to surge. Energy (23.0%) sector continued to be under pressure as demand curb resulting from the pandemic was exacerbated by the collapse of a deal between OPEC and Russia to extend production cut. Real Estate (-19.4%), and Financials (-19.1%).In terms of countries, Indonesia (-29.4%), followed by Australia (-25.6%), India (-25.4%), Philippines (-22.2%) were the worst performers. China (-6.6%) outperformed, albeit still down in March.

Confirmed cases across the globe for the novel Covid-19 continue to surge with the World Health Organization declared the outbreak a pandemic on 11th of March and urged countries and administration to take 'urgent and aggressive' action. As of then, the total confirmed cases for Covid-19 has exceeded 126,000 and this number has further increased by six-folds to 860,000 at the time of writing. While lockdown, quarantining and social distancing is the right prescription to combat Covid-19, its impact on the global economy is unprecedented. The Covid-19 outbreak is disrupting both demand as well as supply chain and poses risks to corporate earnings. Under any scenario, International Monetary Fund declared a global economic recession as IMF Managing Director Kristalina Georgieva said on 27th March, "It is now clear that we have entered a recession – as bad as or worse than in 2009." Within the region, China, Australia, Korea, Singapore, Malaysia, India and Thailand announced fiscal stimulus packages and credit support measures to help ease economic damage from Covid-19 pandemic. Monetary policies were also announced to ease financial conditions and ensure flow of credit and regulatory response to safeguarding financial stability.

China's tentative recovery from Covid-19 saw MSCI China outperformace, albeit still down in March (-6.6%). All sectors other than Consumer Staples saw corrections during the month due to concern of global Covid-19 spread impact. While Healthcare and F&B sectors dropped less compared with other sectors. China economic data rebounded significantly in March, reflecting significantly rebound of domestic demand due to work resumption. Domestically, PBoC also conducted targeted RRR cut to ease economy pressure under global pandemic. Government also relaxed property policies in some cities to ease the pressure faced by developers, though remained prudent to avoid excess liquidity flowing in to property market. And there were more supports for economy such as urging local governments to accelerate issuance of special bonds to boost investment, giving more incentives for strategic industries, and planning to relax fiscal deficit restrictions and launched special treasury bonds to boost economy. Hong Kong (-12.7%) amidst stricter measures to curb the spread of Covid-19, which included entry restrictions and banning public gatherings of more than 4 people.

In Taiwan (-13.7%) as the tech sector remained under pressure from worsening end demand outlook for smartphones from the Covid-19 outbreak. On the other hand, Notebook and server related companies saw better formance due to uptick in demand from "working-from-home". Korea (-11.8%) outperformed as Bank of Korea cut base rate by 50bp and the government announced a $9.8 billion extra budget to stem virus fallout. The package includes loan guarantees for companies and market stabilization fund.

India equity markets corrected 25.5%, the largest monthly decline since GFC due to rising cases of Covid-19. The government ordered a nationwide lockdown for 21 days starting 25th march to curb the spread of the virus. Defensive sectors such as Consumer Staples and Healthcare outperformed. The RBI cut rates by 75bp. To help mitigate the economic fallout, the RBI also announced reverse repo cut, CRR cuts, and moratorium on repayments of all term loans. The finance Ministry also announced an INR 1.75 trillion fiscal package to help low-income households with the lockdown.

Australia market also saw its worst decline since Oct 1987. No sector was unscathed in March. Staples was the most resilient falling just 4.4%, while Energy plummeted (-38.0%) as the OPEC+ price war collapsed the oil price. Real Estate (-35.6%) was the second-worst performer last month, on concerns that Covid-19 shutdowns impact rents and as a rise in credit spreads made investors wary of debt problems. The RBA cut rates by 50bp and announced its first ever quantitative easing program to ease the economic impact from the pandemic. An increasing number of companies are withdrawing prior guidance in response because they cannot estimate how long a shutdown may last or the impact on their business.

ASEAN markets saw a sharp sell down in March as Covid-19 cases escalate globally, market braces for recession and lockdowns/travel restriction are implemented across multiple countries. The Philippines equity market was the hardest hit -21.6%, followed by Singapore -17.6% and Indonesia -16.8% in local currency terms. Thailand and Indonesia fell the most, -11.5% and -8.2% respectively, in local currencies. ASEAN currencies depreciated against the greenback except Philippines. Indonesia Rupiah saw its strongest depreciation in years at 13.9%.

Bank of Thailand reduced Thailand 2020 GDP forecast to -5.3% (from +2.8% y/y previously) and expects a rebound to 3.0% y/y in 2021. They expect a 60% decline in tourists this year. The central bank cut 25 bps on 20th March 2020. The government had declared a national emergency and this will last for one month. The national emergency may restrict the movement of people and this year Songkran has been cancelled. The government has already implemented Bt517bn of stimulus (3.1% of GDP) and may consider a third.

Indonesia cuts its 2020 GDP to 2.3% -2.5% (from 4.2% - 4.6%) in 2020. A couple of measures have been implemented to deal with the decline in growth. The government cut corporate tax to 22%. Bank Indonesia cuts 25bps and also have taken measures to boost liquidity in the system through the FX spot, domestic non deliverable forwards and local bond market.

Singapore has downgraded its 2020 GDP forecast to -4% to -1% from (-0.5% to 1.5%). The government announced a supplementary budget allocating S$28bn of support, bringing total budget to S$48bn about 9.7% GDP. MAS has also eased the S$NEER, re-centering and cutting the S$NEER slope to neutral. The government is trying to provide cash flow support for companies via access to loans and cost cuts, enhanced property tax cuts and increased wage subsidies to protect jobs.

Philippines has cut its interest rate by 50 bps to 3.25% and its reserve requirement by 200bps, lowering it to 12%. The government rolled out P27.1bn (US$531m) in spending budget supporting tourism sector and workers who will be displaced due to the lockdown. Congress has also approved a P1.65bn (US$32m) in supplementary budget.

Malaysia's new Prime Minister was sworn in on 1 March 2020. In an attempt to control the spread of Covid-19, Malaysia will implement the "Movement Control Order", placing the country in a lockdown situation till 14 April 2020. Furthermore, the decline in oil prices will erode the fiscal and external balances. The central bank has introduced a series of measures such as the Statutory Reserve Requirement (SRR) and deferment of loan repayments to address the liquidity issues.

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.