

### 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:

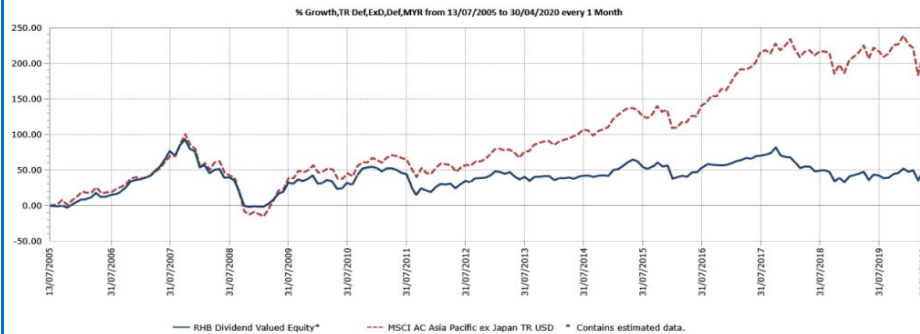
- want capital growth as well as income; and
- willing to accept short term fluctuations in capital values.

#### 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	9.07	0.12	2.33	-2.88
Benchmark	9.31	-5.10	-4.73	-8.44

	1 Year	3 Years	5 Years	Since Launch
Fund	0.03	-11.27	-8.11	47.68
Benchmark	-4.61	6.60	31.04	209.83

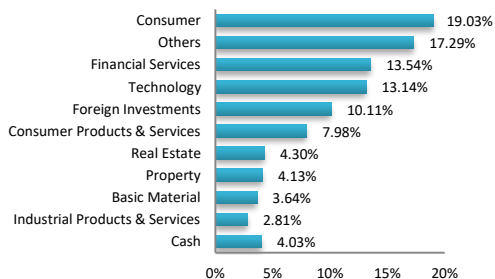
##### Calendar Year Performance (%)\*

	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

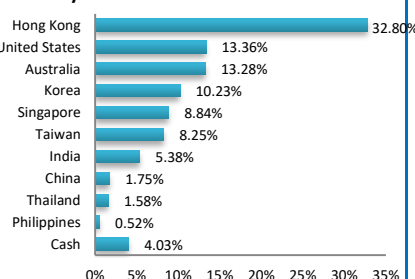
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



##### Top Holdings (%)\*

ALIBABA GROUP HOLDING LTD	7.88
TENCENT HOLDINGS LTD	7.31
TAIWAN SEMICONDUCTOR MANUFACTURING	4.64
SAMSUNG ELECTRONICS CO LTD	4.38
AIA GROUP LTD	2.86

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.3343	0.3577	0.6866
Low	0.3033	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.

## RHB DIVIDEND VALUED EQUITY FUND

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### MANAGER'S COMMENTS

#### MARKET REVIEW

The financial market welcomed the implemented stimulus measures as Asia markets as measured by the MSCI Asia Pacific ex Japan Index gained 9.8% in April, following a 14.3% loss in March. The rebound was broad based with all countries and sectors recording positive returns. India (+16.1%), Taiwan (15.0%) and Thailand (14.1%) outperformed. Malaysia (+5.0%) and China (+6.3%) recorded the lowest gains. Cyclical sectors such as Energy (+18.5%) and Materials (+17.2%) posted the strongest returns while financials (+6.6%) underperformed. The oil market was caught between record oil supply and storage concerns despite OPEC+ agreement to cut production early in the month, which drove unprecedented energy moves including a 40% drop in Brent to negative territory.

Markets rebounded as the lockdown measures continue to show results - the COVID-19 curve continues to flatten. At the time of writing, total confirmed cases reached 3.4 million - an increase from 2.99 million the prior week. Indeed, the narrative in the news has shifted from crisis to recovery. Over a dozen US states, Europe as well as Asia have started removing mobility restrictions after experiencing slower growth in new cases. Major central banks across the world continue to assure the market of their commitment. The Federal Reserve of the United States kept policy steady across the board; announced an expansion of its Municipal Liquidity Facility (MLF) and expanded the scope and eligibility of its so-called Main Street Loan Program. Meanwhile, in Asia, Governments ranging from Hong Kong, Singapore, Malaysia, Thailand, Philippines to Indonesia announced fiscal stimulus packages worth 4-16% of GDP. Many of these measures undertaken by governments and central banks are extend beyond measures taken during the Financial Crisis.

Within the region, countries such as China, Hong Kong (+7.2%), and Korea (8.2%) which reported successful Covid-19 containment measures and easing lockdown measures underperformed following a month of strong performance in March. In China, industrial production and retail sales rebounded as the economic activity resumes. Healthcare outperformed as a beneficiary of increase demand while sectors such as Materials and Communication Services outperformed as beneficiaries of fiscal policies. Hong Kong (+7.2%) announced that it will resume most public services on May 4th after it reported no new local Covid-19 cases for two weeks. Macau casinos led in the rebound on hopes tourist will soon return. Meanwhile in Korea, lagged as Covid-19 recovery began since mid-March. 60% of companies posting better-than-expected results. Share price languished as concerns on the economic fall-out from the pandemic outweigh. On a sector basis, Healthcare and cyclical sectors such as Materials and Industrials outperformed.

India rallied following the sharp sell-off in March. The government extended the lock-down for a 3rd time to 17th May. The Reserve Bank of India further reduced reverse repo rates by 25 basis points after a 90 basis points cut to 3.75% to incentivize banks to lend. It also injected liquidity into the system through "targeted longterm refinancing operations", provided refinancing facilities and special liquidity facilities to mutual funds. Taiwan rallied 14.1% driven by cyclical sectors such as Industrials and Materials. Gains in the Technology sector was driven by China's 5G build out and beneficiaries of work-from-home such as servers and data-centres.

Australia rallied 15.3% in USD terms, helped by a 7.8% appreciation in the Australian dollar. Economic indicator reflected the impact of Covid-19 pandemic. The unemployment rate in March came in at 5.2% compared to 5.1% in February, while the Westpac Melbourne Institute consumer sentiment index contracted 17.7% MoM in April.

ASEAN staged a relief rally in April 2020 as countries anticipate an easing of the lockdown measures. Thailand led the markets +15.6% followed strongly by the Philippines +7.1%. Singapore, Malaysia and Indonesia followed behind 5.7%, 4.2% and 3.9% respectively. ASEAN currencies also appreciated against the greenback with Indonesia Rupiah appreciated 8.7% and return to Rp 14,882 level. Oil price also crashed with the WTI May futures dipping into negative territory.

Singapore announced a third support package amounting to S\$5.1bn aimed at supporting SMEs and households as the government extends the circuit breaker period to 1st June 2020. On corporate news, Hin Leong, Asia's top three oil trader, hid \$800 million in losses and selling off oil inventories that were collateral for loans. This would have implications for the banking sector with all three Singapore banks having exposure. MAS also announced two new measures for Singapore REITs sector namely extension of timeline to distribute at least 90% of taxable income for tax transparency from 3 to 12 months and higher leverage limit of 50% from 45%. This will allow some breathing space for the REITs and reduce risk of capital raising. Thailand will be reopening the economy in phases starting on 3rd May. Also some domestic flights have resumed. Some measures by the government was backtracked due to the lack of funds e.g the THB 5,000 cash support will be reduced to one month instead of the six months.

In the Philippines, the Enhanced Community Quarantine (ECQ) extension until May 15 for Metro Manila, and other major economic hubs in Luzon, Cebu and Davao as the Government pushes harder to contain the spread of Covid-19. On the macro front, March inflation numbers eased slightly to 2.5% YoY in March from 2.6% in February. Overall, core inflation easing to 3% YoY in March from 3.2% in February. Lastly, in Malaysia, according to the Prime Minister, the Movement Control Order (MCO) has cost the Malaysian economy c.RM2.4bn per day, with the tally to date at RM63bn (4.2% of 2019 GDP) and an estimated RM98bn if it was extended to end-May. Malaysia has announced that the MCO will be limited with most economic sectors allowed to resume. Indonesia market rally was mostly driven by domestic buying. President Jokowi banned the Idul Fitri mudik to curb the spread of COVID19 outbreak.

#### STRATEGY

In the previous month, we have opportunistically added to stocks on attractive valuations that worked in our favor. Countries are emerging from lock-downs in stages. We continue to favor China as it is in the early stage of restarting the economy and has more policy space to revive activity along as new cases moderated. Market volatility will continue as risks of re-emergence of Covid-19 outbreaks remain. We will tactically position the portfolio for such a scenario. As such, we will prefer companies with strong cash flow and balance sheet.

Mirroring China's process, reopening of economies are anticipated in phases. Analysis of China data shows that it takes longer for the consumer to return to normalcy (get back to play) than for manufacturing to recover ("get back to work"). In that, our sector preference are consumer staples, domestic delivery, e-commerce and healthcare. In addition, the portfolio remains with preference for long-term structural themes such as 5G Technology upgrade cycle.

#### DISCLAIMER:

Based on the fund's portfolio returns as at 10 April 2020, the Volatility Factor (VF) for this fund is 13.4 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. This update does not amount to indicate that the SC has recommended or endorsed the Fund. 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.

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