

RHB GOLDEN DRAGON FUND

This Fund aims to maximise total returns through a combination of long term growth of capital and current income.

INVESTOR PROFILE

This Fund is suitable for investors who:

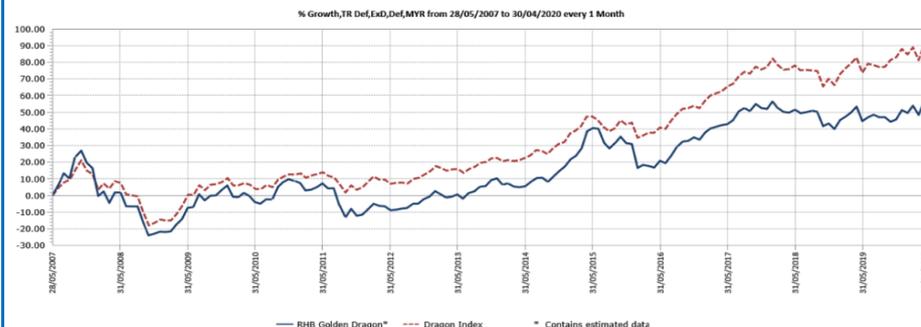
- are conservative and yet wish to participate opportunistically in the potential of the fast growing Greater China markets;
- seek a flexible investment mandate capable of capitalising and adapting to prevailing market conditions;
- are willing to accept moderate risk in their investments in order to achieve long term capital growth and income.

INVESTMENT STRATEGY

- 30% - 70% of NAV: Investments in securities of & securities relating to companies whose businesses are in the Greater China (i.e. the People's Republic of China, Hong Kong SAR and Taiwan) & are listed on the Greater China markets and/or other markets.
- 30% - 70% of NAV: Investments in Malaysian fixed income securities, money market instruments, cash and deposits with financial institutions.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	5.39	4.55	8.38	3.37
Benchmark	5.12	3.15	5.06	1.37

	1 Year	3 Years	5 Years	Since Launch
Fund	1.96	10.04	12.90	56.54
Benchmark	4.25	17.22	29.38	90.54

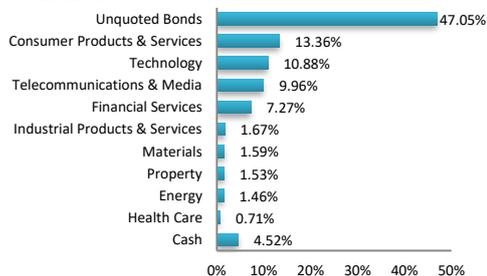
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	8.09	-7.74	13.68	2.02	11.36
Benchmark	13.01	-6.09	16.20	6.02	8.85

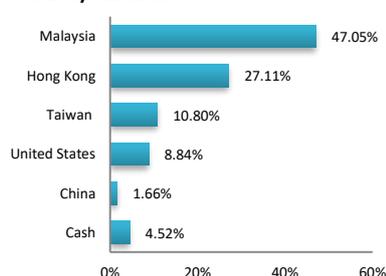
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

MEX II SDN BHD 6.2% (29/04/2032)	17.35
ALPHA CIRCLE 5.6% (18/11/2022)	11.02
TENCENT HOLDINGS LTD	7.88
TAIWAN SEMICONDUCTOR MANUFACTURING	7.50
ALIBABA GROUP HOLDING LTD	5.41

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5622	0.5622	0.6106
Low	0.5318	0.5045	0.3026

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
Dec 2019	-	-
Dec 2018	-	-
Dec 2017	-	-
28 Dec 2016	3.6000	7.51
16 Dec 2015	4.5750	8.24

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

MARKET REVIEW

MSCI China rose 6.3% in April, lagging EM and World by 2.7% and 4.5%, respectively. However, looking at how much of the COVID19 induced equity losses have been retraced, MSCI China has recovered ~46% of the losses, vs. ~53% for US equities. While the rest of the world continues to move beyond the infection peak, China continues to lead in terms of economic reopening. Indeed, the March economic data and our high-frequency monitor both point to an encouraging recovery, with supply/production taking the lead, and demand/consumption lagging behind. Notably, May Golden Week tourism consumption remained soft with a 47%yoy decline in tourist numbers and 31%yoy decline in daily tourism expenditure, however it improved notably compared to a 61%yoy decline in tourist numbers and an 81%yoy decline in tourist revenue during the Qingming holiday one month ago. As consumption remains a key concern, proactive policy support continued in April, with further interest rate cuts and the politburo meeting highlighting that fiscal policy will become more proactive via three channels: (i) an increase in the budgetary fiscal deficit; (ii) increases in the quota for special local government bonds; (iii) issuance of special COVID-19 government bonds. The size of these channels will be confirmed at the NPC meeting beginning on May 22. Looking ahead, a key downside risk could stem from renewed US-China tensions, a risk that we highlighted even before COVID-19 outbreak as the US Election Day nears. Overall, domestic oriented sectors with favorable policy support will likely continue to benefit from China's ongoing economic recovery. It is worth noting that following the rebound of Materials in early April, cyclical upturn accelerated in late April, leading by semiconductors, auto and real estate.

The Hang Seng Index recovered by 4.4% in April, with market sentiment improving on the back of a stabilizing COVID-19 global infection rate, partial relaxation of lockdown in various countries and stronger-than-expected recovery in China's activity data in March. On the domestic side, no new local cases were recorded for 15 consecutive days and the government has announced that it will resume most public services on May 4th.

Both epidemiological and economic aspects of the COVID-19 global pandemic evolved rapidly over the past month. Our latest China full year growth forecast stands at 1.3%. In response, we expect policy support to further step up. On the fiscal side, the NPC meeting scheduled to begin on May 22 will announce the fiscal budget, including an increase in budgetary fiscal deficit, the increase in special local government bond quota and issuance of special government bonds. In terms of monetary policy, following the 20bps reduction in MLF/LPR rate in April, we expect another 25bp cut along with a 25bp deposit rate cut. We also expect another 50bp RRR cut in mid-2020, and a special RRR cut to finance the issuance of special government bonds

The NBS manufacturing PMI fell 1.2-pt to 50.8 in April (March: 52.0), confirming further normalization in manufacturing activity, which translated to the solid output component at 53.7. However, given the ongoing global lockdowns, new export orders plunged to 33.5 from 46.4, reaffirming our concerns over external demand disruption. On the other hand, the Caixin manufacturing PMI eased 0.7-pt to 49.4, also due to the drag from export orders the Hong Kong government announced additional relief measures of HKD137.5bn (~4.8% of GDP) on April 8 to support the private sector, including providing wage subsidies to eligible employers and enhancing the SME financing guarantee scheme. We expect Hong Kong's economy to remain weak through 1H20, and forecast real GDP to contract by 10.5% and 7%q/q saar in 1Q and 2Q. In particular, sluggish DM demand will continue to weigh on the trade sector outlook; total exports and imports fell 5.8%oya and 11%oya respectively in March, and exports to the US/UK fell c.30%oya. The labour market remains under pressure with the unemployment rate up 0.5%pt to 4.2%. Underlying inflation was 2.6% with prices falling further for clothing/footwear and durable goods. We expect the economy to recover in 2H along with a rebound in the global economy and as relief measures begin to take effect.

MARKET OUTLOOK AND STRATEGY

The market has now digested the impact of COVID-19 to the economy. Key annual meetings of the country's top legislature are set to start in mid-May, and policies may emerge to fuel China's economic recovery following pandemic-related lockdowns. As a result, we continue to be constructive on China/HK equities due to robust containment efforts and the continued reopening of the economy. We remain positive on sectors including consumer discretionary, internet, E-commerce, domestic express delivery, as well as healthcare.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 April 2020, the Volatility Factor (VF) for this fund is 8.1 and is classified as "Moderate". (source: Lipper) "Moderate" includes funds with VF that are above 6.1 but not more than 8.8 (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 September 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 restrictive geographical market, interest rate risk, credit and default risk, foreign investment risks such as country risk and currency risk and equities investment risks such as market risk and particular security 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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