RHB Asset Management

FUND FACTSHEET – JUNE 2020

All data expressed as at 31 May 2020 unless otherwise stated

3-year Fund Volatility 14.5 very high Lipper Analytics 10 MAY 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

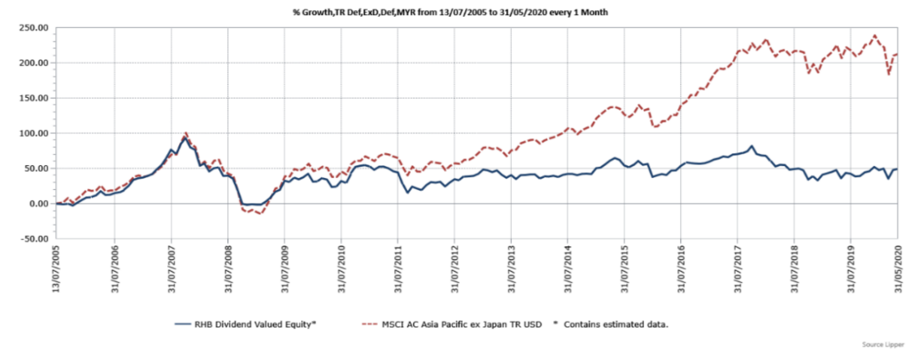
This Fund is suitable for investors who:
- want capital growth as well as income; and
- willing to accept short term fluctuations in capital values.

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	**1.05**	**-0.35**	**2.21**	**-1.86**
Benchmark	0.79	-2.90	-4.33	-7.71

	1 Year	3 Years	5 Years	Since Launch
Fund	**9.71**	**-9.76**	**-9.20**	**49.23**
Benchmark	1.93	6.14	31.81	212.29

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

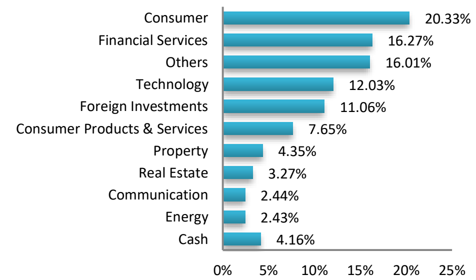
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Equity Fund
Fund Type	Capital Growth and Income Fund
Launch Date	13 July 2005
Unit NAV	RM0.3378
Fund Size (million)	RM4.79
Units In Circulation (million)	14.19
Financial Year End	31 May
MER (as at 31 May 2019)	2.77%
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.*

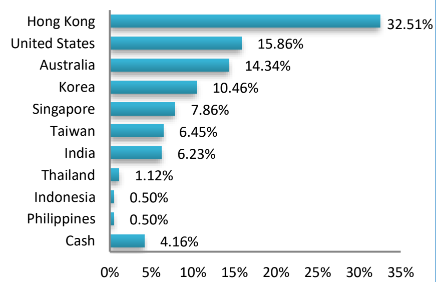
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

ALIBABA GROUP HOLDING LTD	8.06
TENCENT HOLDINGS LTD	7.19
SAMSUNG ELECTRONICS CO LTD	4.33
TAIWAN SEMICONDUCTOR MANUFACTURING	2.64
AIA GROUP LTD	2.50

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.3448	0.3577	0.6866
Low	0.3208	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

Asian markets as measured by the MSCI Asia Pacific ex Japan Index however declined 0.6% in May as renewed US-China tensions capped returns. Cyclical sectors such as Consumer Discretionary (+ 4.5%), Materials (+2.2%) and Energy (+0.7%) outperformed. WTI and Brent gained 88.4% and 54.6% respectively as easing lockdown restrictions across US and numerous other major countries and as Saudi cuts oil output by another 1mn barrel a day over and above agreed earlier in the OPEC+ accord. Iron Ore prices surged above US$100/ton on declining port stocks and expected demand increase from Chinese infrastructure projects, helping material sector's performance. On the other side, real estate (-3.9%), utilities (-3.4%) and financials (-3.0%) underperformed. Within regions, Malaysia (+4.7%), Thailand v(+4.3%) and Indonesia (+3.3%) outperformed its region. Korea was the only North Asia country that recorded positive gains +2.2%). Hong Kong (-8.9%) and India (-2.9%) underperformed.

News was primarily centered on the US-China tensions in May. Following the US' Holding Foreign Companies Accountable Act and China's National Security Bill for Hong Kong, the US continues to ratchet up the pressure on China, as US Congress passed the "Uighur Human Rights Policy Act of 2020" on 27 May. If signed into law, the bill would give the Trump Administration 180 days to compile a list of Chinese official and companies to be sanctioned in response to its alleged human rights abuses against Muslim minorities. On that same day, Secretary of State Mike Pompeo officially notified Congress that Hong Kong can no longer be considered politically autonomous from China. The move could trigger visa restrictions and asset freezes on top Chinese officials, and the US could also revoke special trading privileges for Hong Kong. Elsewhere, the US said it would expel any Chinese graduate students with ties to the People's Liberation Army, which could affect over 3000 students, a small slice of the more than 350,000 Chinese students currently studying in the US. Wall Street turned higher on Friday's session after President Trump's "very powerful details" aimed at China did not deliver the harsh sanctions investors had feared.

All these intensify the conflict and invites retaliation. While China has remained silent, Premier Li Keqiang acknowledged the new challenges on the US relations and calls for mutual respect during his NPC closing speech. As expected, China's legislature approved the controversial national security legislation by a 2878-1 vote, even though details of what will happen in practice is not publicly revealed. The Chinese government has sought to reassure observers that Hong Kong's judiciary will remain intact and independent despite the new national security law.

China concluded its annual National People's Congress (NPC) by setting a budget deficit target around 3.6% of GDP. However, if the issuance of special bonds is included, the deficit gap would come in at over 8% of GDP. Fiscal package includes tax exemptions, lower bank interest rates and waived contributions to social welfare funds, as well as reduced costs for utilities.

Bank of Korea cut interest rates by 25 basis points to a record low of 0.50%. Retail investors continued buying into the market for the fifth consecutive as in interest in the share market gained in the near zero interest rate environment. Korea started to show signs of recovery as economic indicators such as consumer sentiment, retail sales rebounded. Internet stocks and Energy led market gains as did consumer discretionary and industrials. Taiwan (-2.5%) as the tech sector declined as fresh restrictions on Huawei by the US Department of Commerce gave rise to concerns of renewed Tech-war.

Australia (+4.4%) rebounded as stimulus and recovery in activity led to gains. Optimism can be evidenced with both consumer and business confidence improving. Gold sector outperformed during the market rally as investors flocked to the sector for portfolio hedge. REITs gained as lockdown measures eased. On the other hand, defensive sector such as Healthcare underperformed.

India (-2.9%), with declines led by banks as the Reserve Bank of India announced an extension to the loan moratorium program by 3 months, which increases liquidity issues for banks, while the special economic package of Rs 21 trillion did not address credit issues. India over-tooked Spain and Italy to become the 5th worst hit nation by the pandemic. While parts of India prepares to re-open, the government announced further extension of the lockdown in containment zones to 30th June.

ASEAN continued its rally in May with the MSCI ASEAN was up 1.7% in USD terms. Generally countries across the ASEAN region remain optimistic on the economies opening up. Thailand, Malaysia, the Philippines, Singapore and Indonesia all announced phased reopening plans.

Singapore's government has slashed GDP target to -4% to -7% in 2020. In support of the economy, the government has released four stimulus packages within four months and the total package totalled S$100bn, which is 20% of gross domestic product. Strong support from the government comes in the form of reskilling of workers, job openings, and subsidies to households, rental waivers to commercial SMEs etc. In Thailand, 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. In Indonesia, the Ministry of Finance's fiscal deficit target was raised again for the 2nd time to 6.27% of GDP.

In Malaysia, the government announced a RM35 billion, or 2.4% of GDP, which includes RM10bn of direct fiscal injection. CPO prices recovered to RM2,373/mt (12.9% MoM), as leading Indian importers started to purchase Malaysia CPO again after months of a diplomatic spat between the countries in early January. In addition, there is also better support for palm oil used for biodiesel given the recent recovery in crude oil price.

STRATEGY

We are cautiously optimistic markets. Implemented stimulus measures across countries and easing of lockdown measures will lead to economic recovery. With the lockdown restriction easing, global trade is likely to bottom out, benefiting the more trade-dependent countries such as Korea and Taiwan. We also prefer China as it is in the early stage of restarting the economy and more policy space to revive activity. However, markets could continue to witness volatility with heightened geopolitical tensions while monitoring how re-opening unfolds. Lastly, we have tiled our portfolio towards beneficiaries of the economy opening up.