

RHB GOLD AND GENERAL FUND

This Fund aims to achieve returns on investment mainly in securities of corporations (whether or not listed on any stock exchange, and in any part of the world) whose business (in any part of the world) is or is substantially in the mining or extraction of gold, silver or precious metals (e.g. platinum, palladium, rhodium etc.), bulk commodities (e.g. coal, iron ore, steel etc.), base metals of all kinds (e.g. copper, aluminium, nickel, zinc, lead tin etc.), and other commodities (e.g. industrial minerals, titanium dioxide, borates etc.) and it includes the mining or extraction of oil, gas, coal and alternative energy or other commodities or other minerals.

INVESTOR PROFILE

This Fund is suitable for investors who:

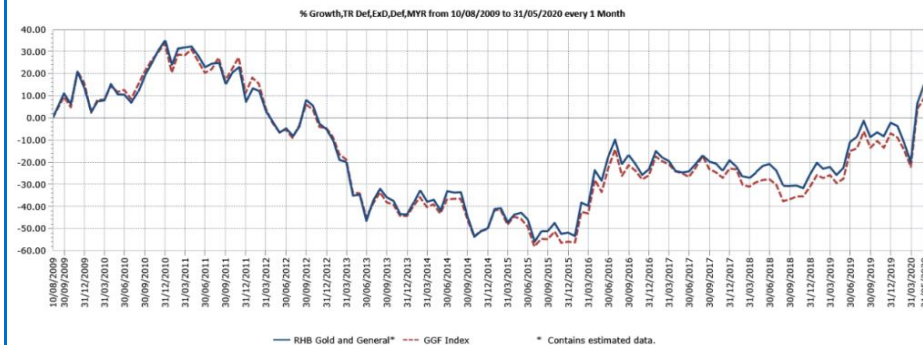
- wish to participate in the potential benefits derived from investment in companies involved in the mining and exploration of precious metals, energy or base metals;
- wish to diversify their investment portfolio from traditional asset classes; and
- are willing to accept a higher risk in their investments to obtain potentially higher returns in the long term.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the units of United Gold and General Fund.
- 2% - 5% of NAV: Investments in liquid assets including money market instruments and deposits with financial institutions.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	8.07	29.26	25.56	17.69
Benchmark	4.79	27.46	26.06	17.25

	1 Year	3 Years	5 Years	Since Launch
Fund	48.77	52.80	101.30	15.13
Benchmark	50.35	45.45	100.35	9.08

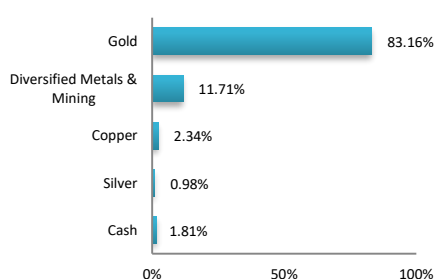
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	31.31	-7.97	5.32	59.38	-4.01
Benchmark	34.74	-10.48	4.07	68.12	-11.34

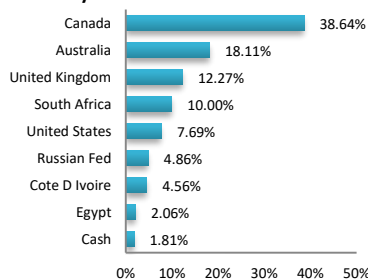
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

AGNICO EAGLE MINES LTD	8.70
NEWMONT CORP	7.69
BARRICK GOLD CORP	7.02
BHP GROUP PLC	6.93
KIRKLAND LAKE GOLD LTD	6.93

*As percentage of NAV

*Source: UOBAM, 31 May 2020. Exposure in United Gold & General Fund - 97.11%

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.4584	0.4584	0.6393
Low	0.4014	0.2728	0.1622

Source: Lipper IM

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MANAGER'S COMMENTS

MARKET BACKGROUND

Commodity prices continued to rise in May after March's sharp sell-off on concern over the coronavirus.

Gold gained 2.6%, ending the month at US\$1,730 per troy ounce (oz). For the second month in a row, the price of the precious metal was supported by strong buying from exchange-traded funds (ETFs), reaching an intra-month high of US\$1,750/oz.

Demand for gold was strong amid continued economic uncertainty due to the COVID-19 pandemic, compounded by the US threatening sanctions on China and domestic unrest across the US over the death of George Floyd in Minneapolis. Total ETF holdings of gold rose every day in May, increasing by 4.5Moz to reach a new record of 100.1Moz, or US\$173.2 billion. Gold equities built on their record month in April with further gains in May.

Gold's gain in the month was dwarfed by a more than 20% rise in the price of silver. Having more industrial applications than gold, silver had sold off sharply as the pandemic halted manufacturing activity, and it recovered in May on expectations that factory gates could soon reopen. Silver's price has swung wildly in recent months, from more than US\$18/oz in late February, to US\$12/oz in mid-March, to back to about US\$18/oz at the start of June. Among other metals, iron ore prices rose sharply in May as concern mounted that disruptions to mining operations in some parts of the world and to global trade could cause a supply squeeze.

MARKET OUTLOOK AND STRATEGY

Gold and gold equities are currently performing their duty as portfolio diversifiers. The economic outlook remains very uncertain as the Western world emerges from lockdown, and markets remain volatile as data releases are unpredictable. Central banks continue to add to their stimulus packages – the ECB added €600 billion in early June – and the Target Fund Manager continues to believe that a fear of deflation is overriding concerns about higher inflation.

The Target Fund Manager thinks gold prices are well supported and more likely to break to the upside. The current crisis has increased economic uncertainty and led central banks to embark on monetary easing, the like of which has not been seen before. Printing currency is very easy but increasing the supply of gold is not. Gold's role as a store of value remains as important as ever.

With interest rates close to zero in many economies and central banks reluctant to introduce negative rates, the Target Fund Manager thinks they will focus on supporting and even pushing up inflation, thus forcing real rates to be negative.

- Gold prices in USD are still below previous peaks. While gold prices have recovered around 65% from their bottom near the end of 2015, they are still 10% lower than their peak in mid-2011 and in real terms over 15% lower than the two peaks of 1980 and 2011.

Regarding gold equities:

- Gold equities have risen rapidly over past five years but in fact are only back to 10-years-ago levels. So even after the gains, the Target Fund Manager thinks they still hold much potential.

- Gold companies are in their best state for over 20 years. Balance sheets are strong, management teams have improved, their focus is on cashflow and returns rather than volume, hedging is less than 10% of production so exposure to spot prices is good, technology is reducing costs, and exploration spend has been low so not too many good projects are in development.

- The majors are leading the way with dividend increases, and the rest will likely follow. The focus by Barrick and Newmont on returns to shareholders is setting an example for the rest of the sector. Dividends per share of the top five gold companies have doubled since 2015 and will be increased this year again.

Within the underlying portfolio, the Target Fund Manager remains focused on large and medium-cap gold companies with strong balance sheets and, in most cases, diversified revenues to minimise single country risk. While the short term remains uncertain, the Target Fund Manager sees long-term value in a number of companies, even if additional disruptions occur as the global economy attempts to return to (a new) normal.

Economic activity is returning in China, providing support to industrial metals prices in the short term. Miner revenues remain reasonably good, and the Target Fund Manager is comforted by the fact that balance sheets are generally robust. Operational disruptions due to the virus and government restrictions have occurred, but many miners now appear to be bringing back at least some capacity. However, the Target Fund Manager continues to focus on medium to larger companies, where they see free-cashflows remaining robust, helped in many cases by the stronger US dollar and lower energy costs.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 May 2020, the Volatility Factor (VF) for this fund is 26.7 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are more than 14.9 (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 6 October 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 management risk and foreign investment risks such as currency risk and country risk and the specific risks of the Target Fund are market risk in the global markets, foreign exchange/currency risk, political risk, derivatives risk, liquidity risk, small capitalisation companies risk, single sector risk, commodities risk, broker risk, counterparty risk, equity risk and investment management 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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