RHB Asset Management

FUND FACTSHEET – JULY 2020

All data expressed as at 30 June 2020 unless otherwise stated

3-year Fund Volatility 8.7 low Lipper Analytics 10 JUN 2020

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:

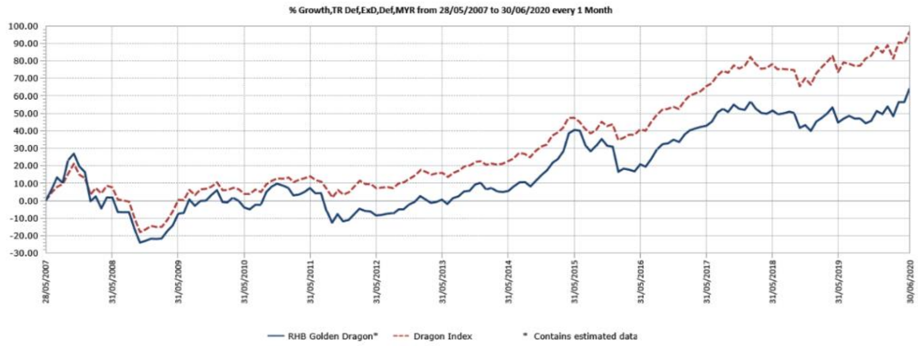
- are conservative and yet wish to participate opportunistically in the potential of the fast growing Greater China markets;
- seek a flexible investment mandate capable of capitalising and adapting to prevailing market conditions;
- are willing to accept moderate risk in their investments in order to 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	**5.08**	**10.75**	**8.62**	**8.62**
Benchmark	3.56	8.56	4.68	4.68

	1 Year	3 Years	5 Years	Since Launch
Fund	**11.86**	**13.28**	**17.39**	**64.50**
Benchmark	9.87	17.79	35.49	96.77

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 DETAILS

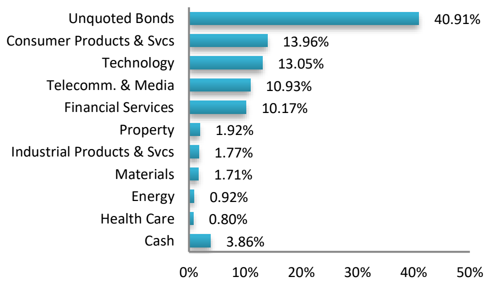
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Equity / Bond Fund
Fund Type	Growth and Income Fund
Launch Date	08 May 2007
Unit NAV	RM0.5895
Fund Size (million)	RM24.39
Units In Circulation (million)	41.37
Financial Year End	31 December
MER (as at 31 Dec 2019)	2.06%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	50% MSCI Golden Dragon Index (RM) + 50% RAM qs MGS 3-7 (medium)
Sales Charge	Up to 5.26% of investment amount*
Redemption Charge	None
Annual Management Fee	1.80% p.a. of NAV*
Annual Trustee Fee	Up to 0.08% 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.*

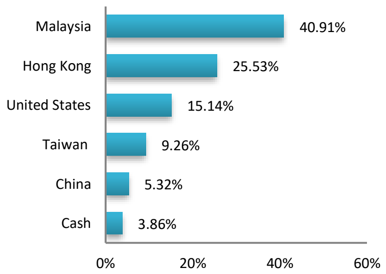
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

MEX II SDN BHD 6.2% (29/04/2032)	16.82
ALPHA CIRCLE 5.6% (18/11/2022)	10.63
TENCENT HOLDINGS LTD	7.45
ALIBABA GROUP HOLDING LTD	5.52
TAIWAN SEMICONDUCTOR MANUFACTURING	3.89

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5939	0.5939	0.6106
Low	0.5610	0.5129	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.

3-year Fund Volatility 8.7 low Lipper Analytics 10 JUN 2020

RHB GOLDEN DRAGON FUND

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MANAGER'S COMMENTS

MARKET REVIEW

MSCI China advanced 8.4% in June, outperforming EM and World by 1.4% and 5.8%, respectively. Despite rising second-wave COVID-19 infection concerns globally, MSCI China has now erased all COVID-19-related losses and returned to positive gains (+2%) for the year. For China, the rise of newly confirmed cases in Beijing in June was quickly contained and new cases have begun trending down. Thus far, it seems that smaller localized outbreaks have been handled swiftly and have not impacted the overall economic momentum, which has also been backed by policy support such as the announced 25bp rate cuts for re-lending and re-discount facilities. On the external side, geopolitical tensions remain high, but US-China did hold its first in-person high level meeting since January, which was categorized as constructive by both sides. Overall, despite geopolitical and COVID-19 overhangs, investor sentiment seems quite positive following the bottoming-out in March; northbound inflows over the Stock Connect have seen RMB118bn in YTD net inflows and are outpacing all previous years, except 2018. This has been in part driven by further A-share inclusion as FTSE Russell increased the A-share inclusion factor from 17.5% to 25%, with A-shares now representing ~6% of the FTSE Emerging Index. As for sector performance, leaders were dominated by new economy sectors such as technology (semi, consumer electronics), communication service (internet) and healthcare. It is noteworthy that the gap between these top three performing sectors and others has been quite significant, implying investors' preference for those sectors that are more resilient or could benefit from the COVID-19 outbreak.

Hong Kong's equity market recovered in June, despite the lingering concerns over the rising global COVID-19 infection cases and the intensifying geopolitical issues. Key positive factors include a solid set of China macro activity data and further relaxation of the public gathering ban amid the contained local infection rate. Meanwhile, the Hong Kong national security law came into effect on June 30, which aims to help restore stability to society, according to the authorities. Hang Seng Index rose 6.4%m/m or 1,466 points, retracing most of the fall in May. Hong Kong local shares led the rebound, with MSCI Hong Kong gaining 10.3%m/m and outperforming MSCI China by 2%. Diversified financials and IT outperformed the most, whereas defensive sectors, including utilities, consumer staples and telecom, lagged. Property sector surged 11.3%m/m, with broad-based recovery across developers and landlords. Property prices edged higher, while primary residential sales also regained momentum. Macau casinos stayed flat as the extended quarantine requirement announced by the HK government disappointed the market.

Sector-wise, IT was the best performing sector, surging 22% in June. Leading names centered on semiconductors and consumer electronics. Semiconductor names were fueled by the temporary relief on Huawei 5G ban and localization demand prospect led by the US sanctions. Besides, SMIC's A-share dual-listing approval also served as a major catalyst to the stock. Meanwhile, leading companies in consumer electronics saw upside in market-share gains, thanks to favorable positioning in the smart-phone supply chain and upcoming iPhone12 debut. Healthcare came in second place, rising 17%, thanks to its defensiveness amidst second-wave infection risk and strong medical demand worldwide. Communication services rose 16%, mainly powered by ADR Hong Kong SAR dual-listing expectations and Tencent entering into its strongest game launch cycle since 2008.

June PMIs pointed to a stable recovery. NBS manufacturing PMI rose 0.3pt to 50.9, on the back of broad improvements across components such as output (+0.7pt) and export order (+7.3pt), yet employment remained under pressure, declining 0.3pt. Service PMI rose 0.6pt to 54.4, reflecting the domestic consumption recovery. On the other hand, the Caixin manufacturing PMI rose 0.5pt to 51.2. It is noteworthy that the new order component regained the 50-threshold for the first time this year, increasing 2.4pt to 52.1. The export order component rebounded further by 5.3pt to 47.

The recent policy response has been prudent but flexible. On July 1, PBOC announced to cut 25bp for re-lending and re-discount facilities (totaling 2.2 trillion yuan). TSF growth will be 13.5% in 2020 to factor in the continuous monetary easing bias. In addition, we expect two more rate cuts in MLF/LPR in 2H, a 10bp cut in 3Q and a 20bp cut in 4Q, as well as a 20bp cut in the benchmark deposit rate in 4Q.

MARKET OUTLOOK AND STRATEGY

The outperformance of China equities has been driven by its FIFO status in terms of economic recovery and efficient management of second wave risks, which has allowed the ongoing cyclical rotation to continue. Going forward, as markets continue to rise, valuations are becoming more stretched and the focus will likely turn to the earnings growth outlook. We look to rotate into companies with strong earnings visibility. Several themes that will play out include domestic-oriented sectors as external headwinds and geopolitical tensions rise; concerns rising for ADRs and tech supply chain. In addition, we also include sectors that could benefit from the change in consumer behaviour due to the outbreak including healthcare/grocery retailers/online gaming/e-commerce. Key risks for 2H continue to be US-China frictions on multiple fronts, as well as how second wave risks are managed globally.