

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:

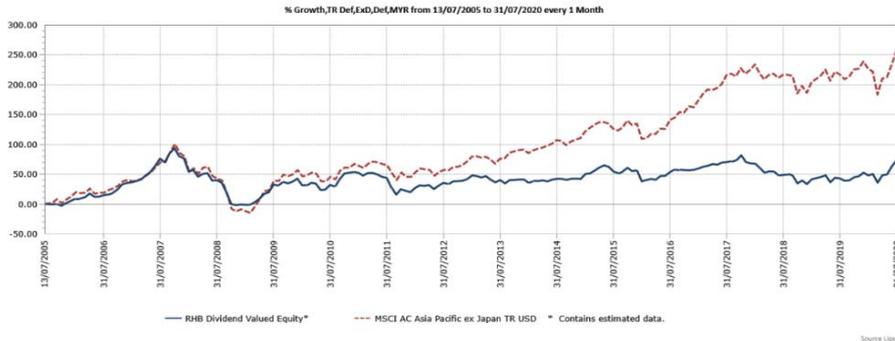
- want capital growth as well as income; and
- willing to accept short term fluctuations in capital values.

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	6.37	16.93	17.07	13.57
Benchmark	6.83	14.87	9.02	5.18

	1 Year	3 Years	5 Years	Since Launch
Fund	21.21	1.72	12.26	72.69
Benchmark	12.27	12.77	57.62	255.91

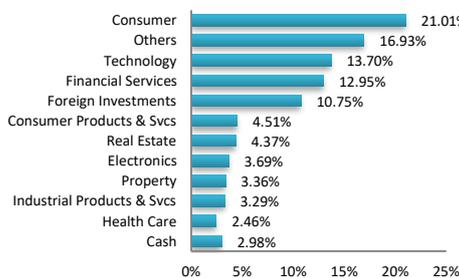
Calendar Year Performance (%)*

	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

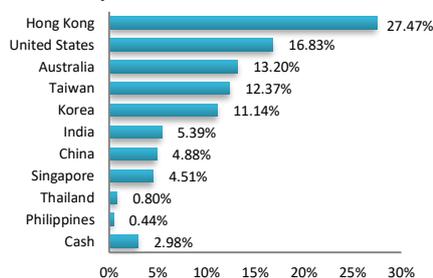
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

ALIBABA GROUP HOLDING LTD	8.35
TENCENT HOLDINGS LTD	7.97
TAIWAN SEMICONDUCTOR MANUFACTURING	6.79
SAMSUNG ELECTRONICS CO LTD	4.94
CSL LTD	2.56

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.3970	0.3970	0.6866
Low	0.3675	0.2840	0.2762

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
May 2020	-	-
May 2019	-	-
24 May 2018	2.0500	5.11
23 May 2017	4.2000	10.04
26 May 2016	2.6000	6.06

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

MARKET REVIEW

Asia Pacific markets as measured by the MSCI Asia Pacific ex Japan Index continued its upward trajectory in July (+7.5%), bringing the year to date loss to 0.2%. Market gains was led by positive clinical evidence of covid-19 vaccine efficacy and positive earnings outlook reports by technology companies. The positives continues to offset lingering concerns of second-wave of Covid-19 infections. Taiwan (+14.9%) was the best performing market, helped by buoyant IT demand due to 5G migration and work-from-home thematic. India (+10.1%), China (+8.9%), Malaysia (+8.2%) and Korea (+7.2%) outperformed. On the other hand, Asean countries Singapore(-0.2%), Thailand (-2.9%), Philippines (-2.9%), and Indonesia (+4.3%) underperformed. Gold gained 10.9% to close at \$1976/oz as investors bought to the asset as a hedge to growth and geopolitical tensions between US and China.

China's domestic A-shares have led the rally, with CSI300 rising 14%. Market gains are supported by strong domestic mutual fund issuance and financial market reforms. Domestically, China reported mixed official July PMI readings. Manufacturing rose to 51.1 vs. 50.8 expected and 50.9 in June, while non-manufacturing fell to 54.2 vs. 54.5 expected and 54.4 in June. This pushed the composite reading down a tick to 54.1. New export orders rose for the third consecutive month, which suggests a pickup in external demand. Government stimulus and construction activity continue to support the economy. Tensions with the US are likely to remain high after it ordered the closure of the US consulate in Chengdu. Hong Kong (-0.8%) on the back of rising infections may force Hong Kong to delay its Legislative Council elections. The government tightened the social distancing measures such as limiting group gatherings to 2 persons. President Trump issues an order to end Hong Kong's special status with the US in response to the National Security Law imposed.

Korea saw improvements in economic indicators. Industrial production recorded a sharper than expected rebound in June while local business and consumer sentiment improved. For the first time since the pandemic, foreign investors net bought KRW 1 trillion in the market. Gains were supported by Materials (+15.2%) on burgeoning demand for electric vehicles and Consumer Discretionary (+14.4%) and Communication Services (11.5%) sectors. Taiwan was the best performing market in Asia due to strength in Technology sector. Companies reported stronger than expected 2Q results, held by broad-based demand for smartphone (5G migration) and work-from-home demand (gaming consoles, cloud/datacentre, Chromebook). TSMC surged 35.9% in local currency terms after chipmaker Intel announced delays for its 7nm next-generation chips.

Indian equities gained despite recording a daily high of more than 57,000 new covid-19 cases at the end of July. Gains were led by Reliance Industries and Indian IT services. Reliance Industries (+22.3%) after it as it signed agreement to sell a 7.75% stake of Jio Platforms to Google. On the other hand, IT Services announced resilient earnings on the back of improving margins. Australia (+4.5%) as gains were capped by resurging Covid-19 cases. The State of Victoria re-impose strict 6 weeks lock-down to tackle the second wave of infections. The AUD rose 2.2c to \$0.710, with gains in iron ore prices and improving Chinese growth outlook. In terms of sectors, Materials and Information Technology sectors outperformed while Energy and Healthcare underperformed.

ASEAN countries lagged North Asia peers amidst relatively more quiet news-flow and high Covid-19 infections. The Thai Baht and Indonesian Rupiah depreciated 0.8% and 2.4% respectively against the US dollar.

Singapore held its General Election on 10 July 2020 with the incumbent party, the PAP, holding onto its supermajority seats at 61.2%. This election's showing was weaker than prior year's elections, as the opposition won 10 parliamentary seats and a reduced majority vote compared to prior year of 69.9%. Singapore's 2Q20 GDP came in at -12.6% y/y, following a -0.3%y/y contraction in the previous quarter. This was the sharpest contraction ever recorded and pushes Singapore into a technical recession. On corporate news, the Monetary Authority of Singapore has called on Singapore banks to cap their dividends per share for FY20 at 60% of FY19 DPS, and offered shareholders the option to receive dividends to be paid for FY20 in scrip in lieu of cash. REITS reported their earnings with a clear trend showing the resilience of industrials, data center and logistics over the office and retail sectors.

The Malaysian Prime Minister announced measures to provide a targeted extension of the moratorium and repayment flexibility to individuals and SMEs who continue to be affected by COVID-19. The existing 6 month blanket moratorium is set to end on 30th September 2020. With the resurfacing of COVID19 cases abroad, the healthcare sector namely gloves companies continue to buoy the Malaysian market and positive guidance from regional IT firms also saw Malaysian IT firms benefitting.

Philippines central bank surprised markets with a 50bps policy rate cut, primarily driven by its expectation of a more protracted recovery. President Duterte decided to maintain the General Community Quarantine (GCQ) status of Metro Manila as the pace of new COVID cases more than doubled in July from just under 650/day in June to an about 1,650 new cases/day in July. The Department of Labour and Employment estimated, one month ago, the number of displaced OFWs at 345,000 which is equivalent to 0.8% of the labour force. Around 100,000 have returned to the Philippines with another 50,000 expected to return in the coming months.

Bank Indonesia has cut the policy rate by 25bps to 4.00% in the July policy meeting. However, the Governor mentioned that support for the economy going forward will be more effective through the quantity channel rather than the price (interest rate) channel.

In Thailand, domestic demand improved in June, as the reopening of the economy gained pace. Tourism stayed in hibernation and exports plunged to a decade-low. Trips to retail and recreation venues are normalizing to near pre-pandemic levels as of end July, with the full reopening of the economy from 1 July.

STRATEGY

We maintain positive on Asia ex Japan on prospects of growth uptick and within which, we favour China. Amid "First in First out", China is at the forefront of restarting the economy and more policy space to revive activity, but we will remain cautious amid the recent escalation of US-China tensions.

On a portfolio basis, we will continue to prefer sectoral demand shifts that have resulted from the crisis. Broadly speaking, e-commerce and technology businesses should do better. Such companies are found in North Asian markets of China, Korea and Taiwan and have ample policy supports. We are cautious on India as it faces challenges with virus containment and limited fiscal space. The key role of tourism and remittances will also hold back performance in South East Asia.

DISCLAIMER:

Based on the fund's portfolio returns as at 14 July 2020, the Volatility Factor (VF) for this fund is 15.3 and is classified as "High". (source: Lipper) "High" includes funds with VF that are above 12.8 but not more than 15.4 (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 30 June 2020 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 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 contents of the PHS and Master Prospectus dated 15 July 2017 and its supplementary(ies) (if any) ("collectively known as the Master Prospectus") before investing. The Master Prospectus has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. The SC's approval or authorization, or the registration of the Prospectus should not be taken to indicate that the SC has recommended 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. If in any doubt, consult your banker, lawyer, stockbroker or an independent financial adviser.

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 Fund 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.

This Fund Factsheet has not been reviewed by the SC.

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