

### 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:

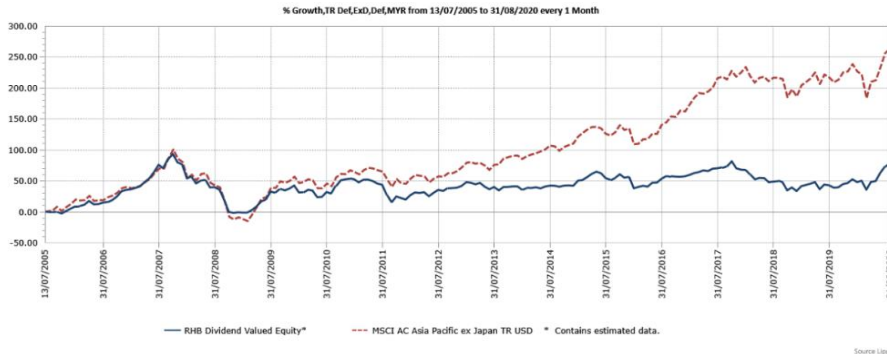
- want capital growth as well as income; and
- willing to accept short term fluctuations in capital values.

#### 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	3.50	19.78	19.35	17.55
Benchmark	2.02	16.27	12.90	7.30

	1 Year	3 Years	5 Years	Since Launch
Fund	29.02	4.34	18.17	78.74
Benchmark	17.51	14.13	62.92	263.08

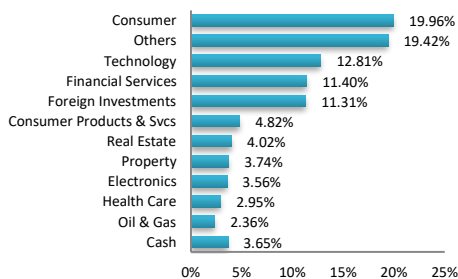
##### Calendar Year Performance (%)\*

	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

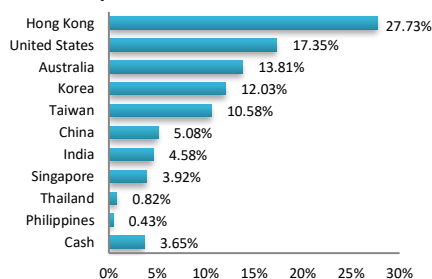
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



##### Top Holdings (%)\*

ALIBABA GROUP HOLDING LTD	8.81
TENCENT HOLDINGS LTD	8.11
TAIWAN SEMICONDUCTOR MANUFACTURING	6.87
SAMSUNG ELECTRONICS CO LTD	4.71
CSL LTD	2.81

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.4046	0.4046	0.6866
Low	0.3909	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.

## RHB DIVIDEND VALUED EQUITY FUND

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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 August (+3.6%), shifting year to date loss back to a positive gains of 3.4%. This comes after economic data bolstered optimism that a recovery from a pandemic-induced recession is on track. Consumer Discretionary (+13.6%) is the top performing sector. Materials (+4.4%) and Real Estate (+3.7%) came a distant second. On the other side, only Information Technology (-1.9%) and Utilities (-1.2%) were the only sectors that posted negative returns. Hong Kong (+7.6%), China (+5.6%) India (+3.4%) outperformed, while Malaysia (-3.7%), Thailand (-2.7%) and Taiwan (-2.1%) underperformed in USD terms.

Governments around the world are still balancing between easing coronavirus lockdowns to revive and the economy versus controlling the resurgence of new cases. Total infections for Covid-19 reached 25 million worldwide, with numbers in India and Brazil still at concerning levels. As long as infections do not escalate to the point where countries start to consider implementing national-level measures, the economy should be fine. But with no medical solution yet for the virus, the improvement in mobility data may be limited and PMI normalization is largely completed. Globally, seven vaccines are now in phase 3 clinical trials, according to the WHO. Evidence so far suggests that the Covid-19 "Second Wave" has been more benign when comparing infection and death rates. Countries where the infections had troughed around June and are now increasing have not seen a corresponding increase in deaths. There are several reasons for this, including a more widespread testing protocol that catches less severe cases, better treatments, preparedness of national health systems and protection for the most vulnerable population.

China's industrial profit growth rose to 19.6% YOY in July, up from 11.5% in June, taking its year-to-date growth to -8.1% YOY in July – compared to -12.8% in June (2019: -3.3%). This improvement was likely driven by a rise in PPI inflation to -2.4% YOY in July, improving from the -3.0% in June, as industrial production growth remained unchanged at 4.8% YOY for the month. Over the first seven months of 2020, profit growth at state-owned and private enterprises dropped to -23.5% and -5.3% YOY respectively, down from -12.0% and 2.2% in 2019; while profit growth at foreign enterprises over the same period inched up to -3.4% from -3.6% in 2019. Tensions with the US are likely to remain high as US November election draw nearer. Hong Kong recovered as new Covid-19 infection cases decline. With that, the government eased social distancing measures. Macau casinos rebounded strongly after China announced resumption of visas for visitors across all provinces.

Foreign investors net sold US\$2.2b in equities in Taiwan as sentiment on Technology stocks in Taiwan turned negative. US tightened restrictions on Huawei to include foreign-made chips produced using US technology. A potential ban on Tencent's WeChat platform in the US weighed down sentiment for Apple supply chain. Korea (+2.1%) lagged regional peers as it battled resurgence in Covid-19 cases. Growth stocks and stay-at-home stocks outperformed peers. Materials, Consumer Discretionary and Communication services outperformed. The performance for Materials is aided by battery companies on Tesla's outperformance and strong demand growth outlook. On the other hand, IT and Industrials underperformed due to weak demand outlook in 2H20.

India rebounded after underperforming regional peers for much of 2020 as foreign institutional investors (FII) recorded largest monthly inflow for the year. Gains were reined in by renewed tensions along the India-China border. In its last policy meeting, RBI kept policy rates on hold while maintaining its accommodative stance. RBI permitted a one-time restructuring of loans wherein the restructured loans remain standard assets. In terms of sector performance, Consumer Discretionary, Financials and Industrials outperformed while defensive sectors such as Communication services, Staples and Healthcare lagged.

The Australian dollar appreciated 3.3% against the dollar in August. Unemployment rate trended 0.1% higher to 7.5% in July while consumer sentiment contracted. Cyclical sectors such as Consumer Discretionary, Real Estate and Industrials led gains. Materials underperformed although Iron ore (+13%), Nickel (+12%) and Zinc (10%) all posted double-digit gains.

ASEAN countries returns were a mixed bag in August. Indonesia market led the rally with 1.7% in local currency terms. Singapore market was relatively flat. Philippines, Thailand and Malaysia were down 0.8%, 1.4% and 4.9% respectively. The greenback depreciated across the ASEAN currencies.

Singapore announced additional support measures of S\$8bn to cushion the economy from the impacts of COVID19. This brings Singapore's total pledged aid to S\$100bn. The latest measures aims to extend wage subsidies and shore up the hard-hit aviation and hospitality sectors. On corporate news, Temasek's termination of Keppel partial offer led to its decline in share price. Wilmar's major shareholder Archer Daniels Midland undertook a secondary share placement of 170.5m of Wilmar shares at \$4.40.

Jokowi presented the 2021 state budget during a national speech on August 14. It shows a budget deficit of 5.5% in 2021 vs 6.3% in 2020. The budget deficit was increased from 5.2% in late July. The overall budget rises from the original 2020 budget of IDR385tn (excluding COVID-19 stimulus) to IDR419tn in 2021. President Duterte placed Metro Manila back into a stricter MECQ status following pleas to prevent hospitals from being overwhelmed. 2Q20 GDP contracted 16.5%/y, putting the economy well into recession territory. Private consumption contracted by 15.5% y/y, investment (GFCF) contracted by 37.8% y/y, exports contracted by 37% y/y, and imports fell by 40%.

In Thailand, GDP recorded third straight quarter of quarterly contraction – Q2 GDP fell 12.2%/y. This is the largest contraction since 2Q98 (-12.2% y/y in 1Q20). Private consumption declined 6.6% y/y driven by a 15.8% y/y drop in household spending, the lowest ever recorded. Lockdowns and the subsequent uncertainty over incomes and jobs drove consumers to cut back on non-essential consumption. Thailand has gradually lifted restrictions since May, paving the way for a gradual rebound in domestic demand in 2H20F.

Malaysia 2Q20 GDP declined 17.1% y/y, exceeding its previous low of -11.2% y/y in 4Q98. The implementation of the movement control order resulted in the weak GDP. BNM expects unemployment rate to range between 4% and 5% in 2020. BNM downgraded its forecasts to -5.5% to -3.5% in 2020, from Apr's range of -2.0% to +0.5%, and expects a recovery to +5.5% to +8.0% in 2021.

#### STRATEGY

Overall, we remain positive on Asia ex-Japan on prospects of growth uptick and within which, we favour China. China is the only major economy that registered a positive 2Q GDP growth. The speed and effectiveness at which China was able to deal with recent virus relapses while avoiding wide-scale shutdowns mitigate a downside risk that concerned us as recently as of a couple of months ago. Although we still anticipate clusters to occur going forward, China has acquired enough capacity to conduct mass testing relatively quickly. Such capacity allows it to identify and quarantine the transmission chains to prevent even larger outbreaks. 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 ongoing US-China tensions. A secondary risk is the severe flooding, which is still ongoing and hence the overall impact remains uncertain. Yet we expect any flooding impact (either on inflation or on economic growth) to be transitory.

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 10 August 2020, the Volatility Factor (VF) for this fund is 15.8 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 ("SC") 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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