RHB Asset Management

FUND FACTSHEET – SEPTEMBER 2020

All data expressed as at 31 August 2020 unless otherwise stated

3-year Fund Volatility 9.4 low Lipper Analytics 10 AUG 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

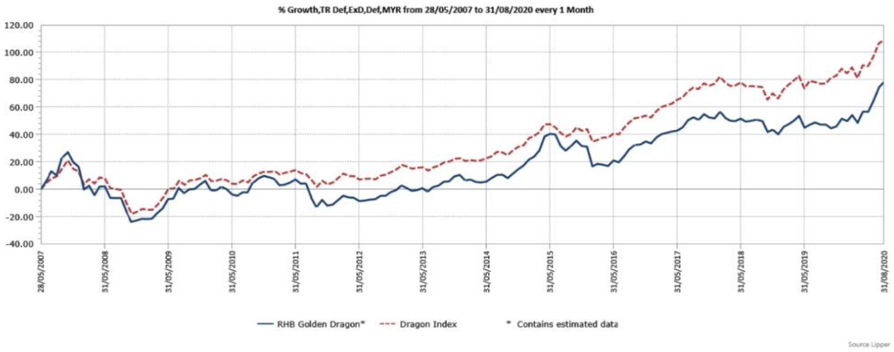
This Fund is suitable for investors who:
- are conservative and yet wish to participate opportunistically in the potential of the fast growing Greater China markets;
- seek a flexible investment mandate capable of capitalising and adapting to prevailing market conditions;
- are willing to accept moderate 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	**2.41**	**13.85**	**15.69**	**17.69**
Benchmark	1.25	10.02	10.66	11.21

	1 Year	3 Years	5 Years	Since Launch
Fund	**21.13**	**16.79**	**39.18**	**78.22**
Benchmark	18.02	19.99	50.94	109.05

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

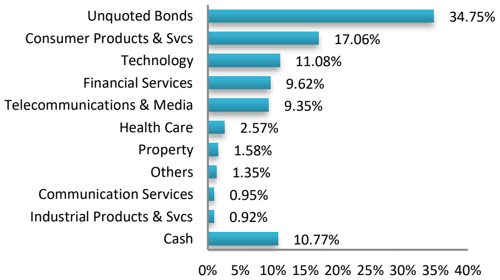
FUND DETAILS

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	RM0.6387
Fund Size (million)	RM28.82
Units In Circulation (million)	45.12
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

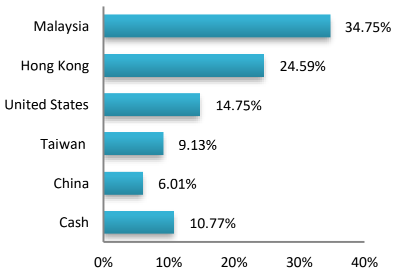
**All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.*
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management 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)	14.23
ALPHA CIRCLE-5.6% (18/11/2022)	9.04
TENCENT HOLDINGS LTD	6.65
TAIWAN SEMICONDUCTOR MANUFACTURING	6.62
ALIBABA GROUP HOLDING LTD	6.09

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6387	0.6387	0.6387
Low	0.6213	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.

RHB Asset Management Sdn Bhd (174588-x) **Head Office: Level 8, Tower 2 & 3, RHB Centre, 50400 Kuala Lumpur** **General Line: 603-9205 8000**

RHB GOLDEN DRAGON FUND

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MANAGER'S COMMENTS

MARKET REVIEW

MSCI China rose 5.6% in August, outperforming EM by 3.5% but lagging World by 0.9%. Onshore equities were somewhat more range-bound, with SHCOMP and SZCOMP rising 2.6% and 1.7%, respectively. Positive drivers of China equities include: (i) 2Q/1H20 earnings surprise of 3%, mainly driven by the internet sector, lifted MSCI China, while onshore equities were weighed down by banks due to sharp profit contraction. (ii) Accelerated registration-based IPO reform has broadened into ChiNext board, with the first batch of 18 IPOs starting to trade on Aug 24 and daily price range widening to +/- 20% (previously: 10%). On the negative side: (i) The escalating US-China tension has been the key overhang, as the US further added 38 Huawei-affiliated companies to the Entity List and tightened the financial scrutiny over ADRs. (ii) With the economic recovery on track, PBOC calibrated the policy guidance and introduced a less dovish tone compared to 1H. As for pandemic containment, domestic new cases have returned to zero for two weeks and infective regions gradually removed restriction measures, in favor of recovery in service sectors. Sector performance wise, consumer discretionary (mainly e-commerce) took a notable lead, thanks to superior earnings print amidst economic recovery.

Hong Kong equity market recovered in August, with local shares regaining some positive momentum amid the stabilizing pandemic situation. Hang Seng Index rose 2.4%m/m, while MSCI HK was up 7.6%m/m, outperforming MSCI China and the region by 2% and 4%, respectively. The recovery was broad-based across most sectors, including financials, industrials and properties. The Macau gaming sector rebounded strongly by 16%m/m, with the China government announcing a full resumption of IVS and group tour visas starting from September 23. GGR came in weaker than expected and fell 95%oya in August. Hong Kong CPI inflation fell to deflation territory, for the first time since February 2017. The weak CPI inflation reading largely reflects the hit from COVID-19 as HK is undergoing a third wave of infections. Headline CPI registered a 2.3%oya decline in July, compared to +0.7% in June. Netting out the effects of the government's one-off relief measures, CPI rose 0.2%oya, lower than June at 1.2%oya, mainly due to the decrease in costs for meals bought away from home and enlarged decreases in local transport fares..

China's July activity data confirmed that the economy continued to recover going into early 3Q, although the momentum of industrial production appears to have moderated. The demand recovery varies across sectors, with outperformance of exports, infrastructure, real estate and the auto sectors, while consumer demand has yet to catch up further momentum.

August NBS manufacturing PMI eased 0.1-pt to 51.0, with a slight moderation of production offset by improving demand conditions. Output component fell 0.5-pt to 53.5, while demand components, such as new orders and export orders, further improved by 0.3-pt and 0.7-pt, respectively. Moreover, non-manufacturing PMI has improved steadily in recent months, rising 1.0-pt to 55.2 in August. On the other hand, Caixin manufacturing PMI rose 0.3-pt to 53.1, marking the new high since Feb 2011. Similar to NBS PMI, the positives mainly stemmed from new orders and export orders components.

MARKET OUTLOOK AND STRATEGY

Looking into 2H, we expect China EPS growth to accelerate and return to positive growth. Sector-wise, we expect to see positive growth in 2H for most of the sectors, except for energy and banks although the magnitude of decline is likely to narrow compared to 1H. While the major COVID-19 beneficiaries are expected to stay resilient despite some fading effects, some laggards in 1H are likely to undergo a strong recovery on the back of the release of pent-up demand and policy support, which may include real estate, industrials and materials.

We will continue our focus on domestic-oriented sectors as external headwinds and geopolitical tensions rise; consumer staples and healthcare more resilient to second wave risks. Additionally, we are positioned in sectors that could benefit from a more permanent change in consumer behavior due to the outbreak include healthcare/grocery retailers/ online gaming/e-commerce. We are also mindful of policy tailwinds in consumer real estate and infrastructure FAI. Key risks for 2H continue to be US-China frictions on multiple fronts, as well as how second wave risks are managed globally.