RHB Asset Management

FUND FACTSHEET - OCTOBER 2020

All data expressed as at 30 September 2020 unless otherwise stated

3-year Fund Volatility 15.9 high
Lipper Analytics 10 SEP 2020

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

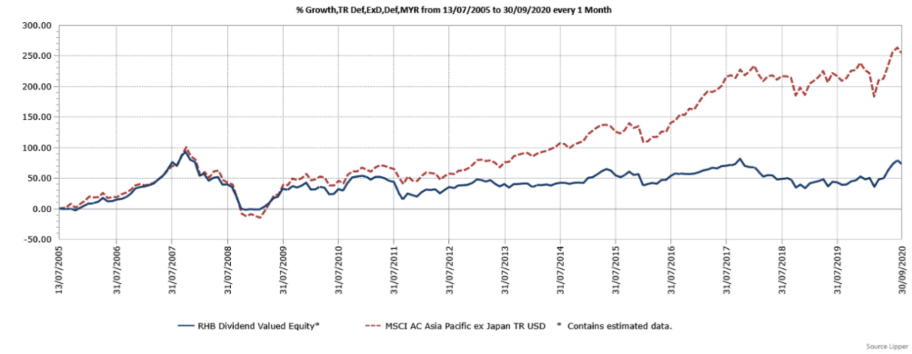
This Fund is suitable for investors who:
• want capital growth as well as income; and
• willing to accept short term fluctuations in capital values.

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	**-3.68**	**6.04**	**27.15**	**13.22**
Benchmark	-2.51	6.26	24.89	4.61

	1 Year	3 Years	5 Years	Since Launch
Fund	**23.71**	**-0.95**	**11.17**	**72.16**
Benchmark	13.03	12.86	55.30	253.99

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 DETAILS

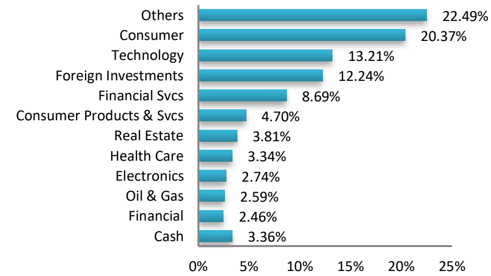
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Equity Fund
Fund Type	Capital Growth and Income Fund
Launch Date	13 July 2005
Unit NAV	RM0.3897
Fund Size (million)	RM5.15
Units In Circulation (million)	13.21
Financial Year End	31 May
MER (as at 31 May 2020)	3.21%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	MSCI Asia Pacific Free ex Japan Index
Sales Charge	Up to 5.00% of NAV per unit*
Redemption Charge	None
Annual Management Fee	Up to 1.80% p.a. of NAV*
Annual Trustee Fee	0.06% 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.*

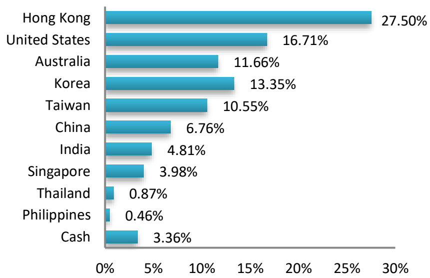
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

ALIBABA GROUP HOLDING LTD	9.33
TENCENT HOLDINGS LTD	8.00
TAIWAN SEMICONDUCTOR MANUFACTURING	7.23
SAMSUNG ELECTRONICS CO LTD	5.22
CSL LTD	2.82

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.4046	0.4046	0.6866
Low	0.3822	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 took a breather in September (-2.5%), weighed down by building risk factors across the globe. These include resurgence of Covid cases in Europe, a spike in hospitalizations in Spain, new lockdown rules in UK and France, weaker PMIs across the globe, as well as US political uncertainty. Korea (+2.9%), Taiwan (+1.8%) and India (+0.6%) reported gains, while all other Asian markets recorded negative returns (Indonesia -13.0%, Thailand (-9.6%), Australia (-7.1%), Hong Kong (-5.6%)). Financials (-6.2%) and Consumer Staples (-5.6) were the worst performing sector. Oil prices retraced back in September after 4 months of successive gains. Brent and WTI crude fell by 7.7% and 5.6%, respectively on rising concern on fuel demand as countries battle second wave of infections.

The Bank of Japan left its policy settings unchanged but upgraded its economic assessment. The bank said the economy "has started to pick up with economic activity resuming gradually," though adding that conditions remain severe, compared to what it described as "extremely severe" previously. Despite recognizing the recovery, it's pretty clear that the BOJ will keep on the current policy track until the 2% comes into sight. The Liberal Democratic Party of Japan (LDP) held its presidential election on Monday to appoint a successor to current LDP leader (and Prime Minister) Shinzo Abe, who announced on August 28 that he will be stepping down due to deterioration in a pre-existing health condition. Chief Cabinet Secretary Yoshihide Suga won the LDP's leadership election and is appointed as the Prime Minister during a special Diet session on September 16, with Mr. Suga forming his own cabinet. This suggests continuity in Japan's post-Abe politics. Less uncertainty for asset prices given that the simulative fiscal and monetary policy will remain intact and is expected to shore up his credentials with another round of fiscal stimulus before year-end.

China (-2.9%) underperformed on escalation of the US-China conflict. The US has announced it will impose export control over SMIC and Trump attempted to ban WeChat raised concerns of escalating geopolitical elections into the US elections in November. China left its Loan Prime Rates (LPR) unchanged, as markets expected. The 1-year rate remains at 3.85% and the 5-year at 4.65%. They are likely to remain for some time with the domestic economy still recovering at a good pace. Separately, FTSE Russell said it would include China in its flagship World Government Bond Index (WGBI) from October 2021, with a 12-month staggered inclusion process. Sector-wise, YTD winners and smaller cap names led the corrections. Consumer Staple (-6.8%) Information Technology (-5.9%) led decline. Energy (-10.7%) with lower oil prices. Hong Kong (-5.6%) underperformed the region. The government announced the third round of stimulus amounting to US$3 billion of stimulus while further relaxed social distancing measures. Consumer Staples (-14.2%), driven by Macau casinos plunged on the back of expectations that the Chinese authorities will crackdown on overseas gaming activities.

Korea was the best performing market in the region, as retail investors bought into the market while foreigners and local institutions sold. Investors added to Information Technology (+8.9%), Consumer Discretionary (+6.2%) on optimism on growth outlook for Electric Vehicles. Taiwan's IT (+3.1%) sector posted strong performance as Apple launched new Apple Watches and iPad. Foundries in Taiwan led gains as it benefits from US administration possible ban on SMIC.

India export driven sectors such as Information Technology (+10.1%) and Healthcare (+5.9%), helped somewhat by the Indian Rupee depreciation (-0.2%) and by positive trading updates by companies within the sector. Australia underperformed despite reporting better economic numbers. The unemployment rate in August came in at 6.8% compared to 7.5% in July. Consumer sentiment rebounded. However, the Australian dollar (-2.9%), was the worst performing currency in the region.

September was a tough month for ASEAN equities (Indonesia (-13.0%), Thailand (-9.6%), Singapore (-3.1%), Malaysia (-2.1%) and the Philippines (-0.8%)). The Indonesian Rupiah depreciated 2.2% and Thai Baht depreciated 1.8% against the US dollar.

The Indonesia equities market suffered as the government reintroduced its large scale social distancing in Jakarta. The concern is that hospital capacity will max out by September 17 2020 as coronavirus infection surges. Philippine unemployment rate eased to 10% in July, equivalent to around 4.6mn jobless Filipinos while consumer and business confidence continues to decline. Meanwhile, the business survey suggests more layoffs across sectors can be expected both in 4Q and the next 12 months, especially for hotels and restaurants, social services and transportation. POGOs were also in the limelight this month after Finance Secretary Dominguez confirmed that China is clamping down on money transfers while many POGO workers are unable to return to work in the Philippines due to cancelled passports.

Singapore August home sales was 1227 units, 13.6% y/y which seem to benefit from pent up demand. The strong sell through for Singapore property was evident in the HDB upgradershe Singapore government capped the extension of Option to Purchase (OTP) to 12 weeks vs. the previous market practice of reissuing up to 18 months with effect from 28 September 2020.

The Bank of Thailand upgraded its internal forecasts of the economic outlook amid signs of nascent improvements in private consumption and investment. It is projecting a smaller GDP contraction of 7.8% in 2020 (vs. -8.1% previously). Malaysia unveiled additional stimulus package to support the economy recovery and target the low-middle income class and small businesses. This stimulus package is MYR10bn (0.7% of GDP) and seems to add some urgency as the loan moratorium at the end of September.

STRATEGY

We turned slightly more cautious going into the 4th Quarter of the year as markets has re-rated upwards and US election risks lingers. Longer-term, 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. 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.

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.