

### 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:

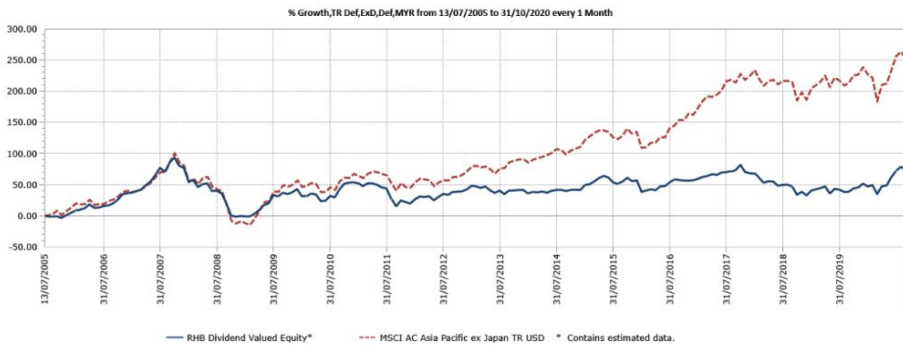
- want capital growth as well as income; and
- willing to accept short term fluctuations in capital values.

#### 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	1.59	1.28	18.43	15.02
Benchmark	2.40	1.85	16.99	7.12

	1 Year	3 Years	5 Years	Since Launch
Fund	21.18	-3.97	8.77	74.90
Benchmark	11.46	10.76	51.30	262.48

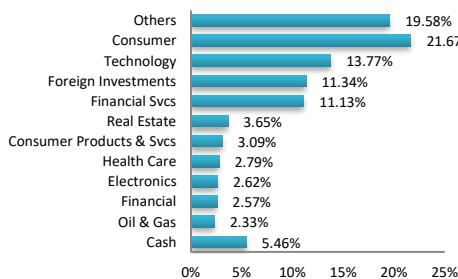
##### Calendar Year Performance (%)\*

	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

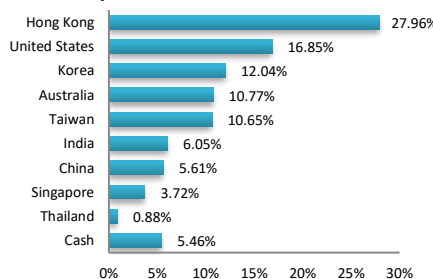
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



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

ALIBABA GROUP HOLDING LTD	9.52
TENCENT HOLDINGS LTD	9.09
TAIWAN SEMICONDUCTOR MANUFACTURING	7.21
SAMSUNG ELECTRONICS CO LTD	5.16
MEITUAN - CLASS B	2.96

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.4093	0.4093	0.6866
Low	0.3897	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 gained 2.4% in USD terms in the month of October despite concerns over rising Covid-19 cases and newly implemented mobility restrictions. Volatility increase as investors were focus on the presidential elections in the US, where the odds for Biden victory were increasing. Biden, along with a Democratic Senate, would result in a less aggressive foreign policy against China. Indonesia (+8.6%), Philippines (+7.9%), China (+5.3%) were the best performing markets, while Singapore (-2.9%), Thailand (-2.3%), and Hong Kong (-1.2%) recorded negative returns. Communication Services and Consumer Discretionary were the best performing sectors. Energy (-4.9%) declined as WTI crude and Brent fell 11.0% and 9.9% respectively on rising concern on fuel demand as countries battle second wave of infections. Germany, France and UK implement lock-down measures to control resurging Covid-19 outbreaks.

The Chinese Communist Party (CCP) held the Fifth Plenum of the 19th Party Congress on October 26-29 to discuss the proposals for the 14th Five-Year Plan that runs from 2021 through 2025. The Fifth Plenum of the 19th Party Congress's key summary reiterated direction towards Quality Growth, and laid out non-numerical goals over long term (GDP per capita reaching level of mid income developed economies and expansion in mid income population), with a focus on innovation and market reform. Over next few months, NDRC will prepare more detailed draft of the 14th Five Year Plan to be submitted for final approval during the "Two Sessions" in March 2021. Communication Services and Consumer Discretionary reported the strongest gains, driven in part by Internet sector in anticipation of Ant Group IPO, and in part by strong auto sales momentum. Hong Kong underperformed as properties retreated on the back of flattish property sales while Macau gaming corrected on subdued GGR data.

Korea (+0.6%) underperformed regional markets. 3Q GDP rose 7.9% qoq, beating expectations. Economic indicators such as manufacturing PMI, retail sales, and Industrial production rebounded. Financials outperformed the market on improving domestic macroeconomic outlook. Materials, such as EV materials, petrochemicals also recorded gains. On the other hand, Communication Services, Energy and Healthcare underperformed. Taiwan (+1.3%), as the Taiwan Dollar strengthened 0.9%. Information Technology took a breather as investors locked in profit on stronger than expected third quarter sales.

Australia (+0.0%) market remained unchanged over the month. Consumer confidence rebounded to average levels while business confidence returned to pre-Covid level, bolstered by supportive Federal Budget, accommodative stance by the Reserve Bank of Australia, and reopening of the state of Victoria. Index performance was driven by gains in Banks, supported by the prospect of a loosening of responsible lending laws and a view that bad debts could be 'less bad' than feared. India (+0.9%) as Covid-19 cases continue to decline from its peak in September and economic activity improved. Manufacturing PMI for October improved to 58.9 compared to 56.8 in September. The RBI kept policy rates on hold and pledged to maintain its accommodative stance for as long as necessary. Financials led gains as banks reported better than expected asset quality trends. Information Technology sector also led gains after reporting better earnings.

ASEAN markets had a mixed performance in October. Philippines and Indonesia were outperformers, up 7.8% and 5.3% respectively, buoyed by the countries' positive events which came to pass. Thailand, Malaysia and Singapore ended in negative territory in October. There was a general appreciation of ASEAN currencies against the US dollar with the Indonesia Rupiah and Thai Baht appreciating 1.7% and 1.6% respectively.

Philippines and Indonesia were outperformers as governments eased restrictions as Covid-19 cases decline. Philippines passed their national budget was passed as the fiscal pump priming was one of the major pillars of the recovery in 2021.

In Singapore, MAS extending the loan moratorium support for Singapore debtors through up to Dec 2021. The moratorium extension are targeted at individuals and SMEs facing cashflow difficulties, and can be broken down into three categories: Property loans, Personal loans (student, renovation and credit cards) and SME. Furthermore there was an additional six month extension to construction deadlines. MAS maintains a zero percent per annum rate of appreciation of the policy band – as expected. Excluding the hardest hit travel and tourism sectors, MAS sees the rest of the economy performing at 75% of pre-COVID levels.

Politics also took the limelight in October in Malaysia when there was news that PM Muhyiddin Yassin had proposed to the King (YDPA) to call for a state of emergency for the country which was later declined by the King. In Thailand, protests have been escalating in October, and eventually triggered the government to declare a state of emergency in Bangkok - which bans political gatherings of five or more people - for one month starting 15 October. As this move was met with even bigger demonstrations, the government lifted the emergency measures on 22 October. The protestors have been calling for three key demands – the resignation of Prayut, rewrite of the constitution and reforms of the monarch. Thailand also received its first tourists (39 visitors from Shanghai) under the Special Tourist Visa programme on 20 October for the first time since borders were closed in April.

#### STRATEGY

Results for the US presidential election and data on Phase 3 Covid vaccine trials are coming soon. Overall, we remain positive on Asia ex-Japan on prospects of growth uptick and within which, we favour China. The speed and effectiveness at which China was able to deal with the virus while avoiding wide-scale shutdowns mitigate downside risk that concerned the market. While manufacturing PMI was largely flat, services PMI accelerated in October amid Golden Week spending. China is at the forefront of restarting the economy, controlling the spread and more policy space to revive activity.

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 October 2020, the Volatility Factor (VF) for this fund is 16.0 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 Master 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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