

### RHB GOLD AND GENERAL FUND

This Fund aims to achieve returns on investment mainly in securities of corporations (whether or not listed on any stock exchange, and in any part of the world) whose business (in any part of the world) is or is substantially in the mining or extraction of gold, silver or precious metals (e.g. platinum, palladium, rhodium etc.), bulk commodities (e.g. coal, iron ore, steel etc.), base metals of all kinds (e.g. copper, aluminium, nickel, zinc, lead tin etc.), and other commodities (e.g. industrial minerals, titanium dioxide, borates etc.) and it includes the mining or extraction of oil, gas, coal and alternative energy or other commodities or other minerals.

#### INVESTOR PROFILE

This Fund is suitable for investors who:

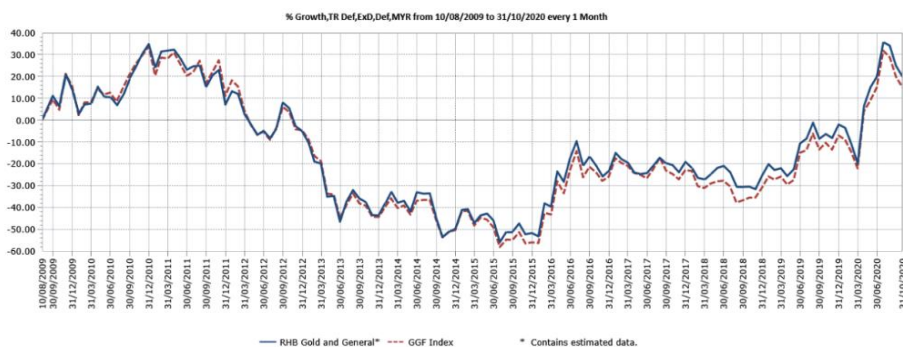
- wish to participate in the potential benefits derived from investment in companies involved in the mining and exploration of precious metals, energy or base metals;
- wish to diversify their investment portfolio from traditional asset classes; and
- are willing to accept a higher risk in their investments to obtain potentially higher returns in the long term.

#### INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the units of United Gold and General Fund.
- 2% - 5% of NAV: Investments in liquid assets including money market instruments and deposits with financial institutions.

#### FUND PERFORMANCE ANALYSIS

##### Performance Chart Since Launch\*



##### Cumulative Performance (%)\*

	1 Month	3 Months	6 Months	YTD
Fund	-3.99	-11.61	12.66	22.68
Benchmark	-4.03	-12.74	10.48	23.61

	1 Year	3 Years	5 Years	Since Launch
Fund	28.36	50.98	128.27	20.01
Benchmark	28.33	52.56	136.09	15.00

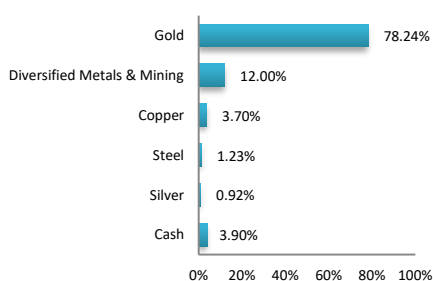
##### Calendar Year Performance (%)\*

	2019	2018	2017	2016	2015
Fund	31.31	-7.97	5.32	59.38	-4.01
Benchmark	34.74	-10.48	4.07	68.12	-11.34

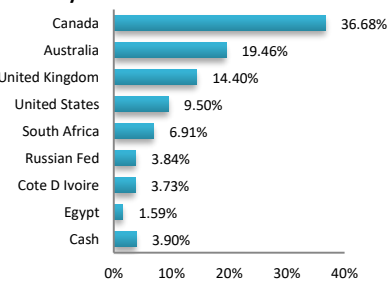
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



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

NEWMONT CORP	9.50
AGNICO EAGLE MINES LTD	9.39
BHP GROUP PLC	7.59
KIRKLAND LAKE GOLD LTD	7.21
BARRICK GOLD CORP	4.72

\*As percentage of NAV

\*Source: UOBAM, 31 October 2020. Exposure in United Gold & General Fund - 95.57%

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.4932	0.5370	0.6393
Low	0.4495	0.2728	0.1622

Source: Lipper IM

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### MANAGER'S COMMENTS

#### MARKET BACKGROUND

The gold price declined around 0.4% during October to close around US\$1,879 a troy ounce (oz). Prices stagnated ahead of the US election, with gold trading in a tight range around US\$1,900/oz. The US dollar was flat over the month (the gold price and the US dollar tend to move in opposite directions) but 10-year bond yields continued to rise, which weighed on the precious metal. Silver prices rose by 1.8% to end October at US\$23.6/oz, buoyed by optimism over renewable-energy demand.

Total exchange-traded fund (ETF) holdings of gold continued to rise, but added only 187,000 oz to end at 110.85Moz, or US\$208.3 billion. However, central banks were reported as net sellers (-12 tonnes) in Q3, though they are still net purchasers year to date (+220 tonnes).

Gold equities underperformed in October, falling 4.2%, dragged down by a weaker general equity market at the end of the month. Q3 company results were generally very strong, as expected, with free cashflow beating consensus in many cases. As flagged last month, companies have been keen to raise shareholder returns and large dividend increases have been reported.

Industrial metals rose during the month, with zinc and aluminum among the notable gainers despite continued macro uncertainty in the month relating to the trajectory of the coronavirus (before hopes rose in early November of a viable vaccine) and the US election outcome.

#### MARKET OUTLOOK AND STRATEGY

The Target Fund Manager continues expect the current gold price to remain supported. The combination of negative real yields, significant central-bank stimulus and a weakening US dollar supports financial demand. The adverse relationship between gold and real yields is well-established and recent central-bank interventions have reinforced the case for holding gold and gold equities as long-term portfolio diversifiers.

The Target Fund Manager maintains their view that gold equities have significant potential, even after their gains so far this year. Gold equities clearly provide positive leverage to the rising gold price; however, even if the gold price remains in its current range, gold companies are enjoying very high margins and producing, in most cases, very high levels of free cashflow. Balance sheets are strong, management teams have improved, their focus is on cashflow and returns rather than volume, hedging is less than 10% of production so exposure to the spot price is good, technology is reducing costs, and exploration spend has been low so not too many projects are in development.

In addition, as investors consider the pandemic's longer-term implications, they are likely to look harder at their exposure to sovereign debt and the solvency of indebted governments. This further increases the attractiveness of gold. And while gold offers no income, gold equities increasingly do, in the form of dividends.

In base metals & bulks, the Target Fund Manager expects all the key regions to require much more material. China announced its decarbonisation ambitions last month and plans to reach net-zero emissions by 2060. This will require near-term investment in electricity infrastructure: reports from local media in early October indicated that the China State Grid plans to invest RMB 6 trillion during the 14th five-year plan, compared to RMB 2.4 trillion in the current five-year plan, which ends this year. Final details on Europe's Green Deal were announced over the summer, which calls for a faster pace of investment to meet more ambitious 2030 carbon-emission targets. The situation in the US is less certain and the Target Fund Manager don't want to forecast who will win the presidential election in November. A Biden victory, which looks to have happened now, undoubtedly has the potential to speed up the energy transition and related infrastructure spending.

This paints a positive picture for metals and bulk commodity demand. From a supply perspective, the Target Fund Manager expects the respective industries to struggle to respond to higher prices. In markets such as iron ore and copper, environmental and social considerations will make it difficult to establish new mine supply. Similarly, battery metals such as nickel and cobalt are also not expected to see much production growth over the next few years.

#### DISCLAIMER:

Based on the fund's portfolio returns as at 10 October 2020, the Volatility Factor (VF) for this fund is 28.0 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are 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 6 October 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 management risk and foreign investment risks such as currency risk and country risk and the specific risks of the Target Fund are market risk in the global markets, foreign exchange/currency risk, political risk, derivatives risk, liquidity risk, small capitalisation companies risk, single sector risk, commodities risk, broker risk, counterparty risk, equity risk and investment management 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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