RHB Asset Management

FUND FACTSHEET - DECEMBER 2020

All data expressed as at 30 November 2020 unless otherwise stated

3-year Fund Volatility 15.8 high Lipper Analytics 10 NOV 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:

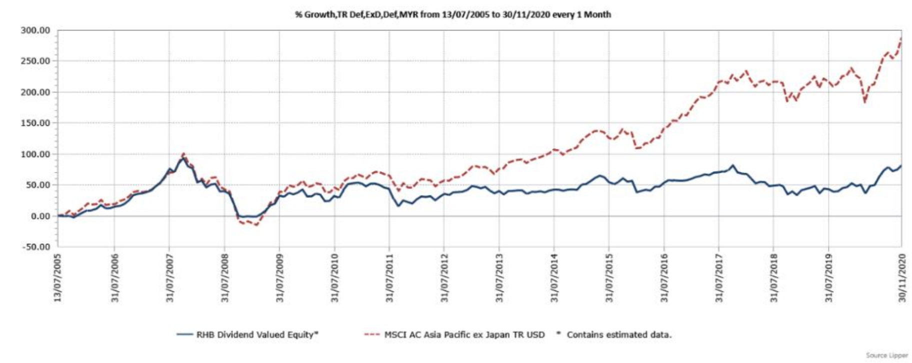
- want capital growth as well as income; and
- willing to accept short term fluctuations in capital values.

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	**4.12**	**1.88**	**22.02**	**19.76**
Benchmark	6.98	6.80	24.17	14.59

	1 Year	3 Years	5 Years	Since Launch
Fund	**24.72**	**6.64**	**17.22**	**82.10**
Benchmark	18.79	21.91	67.26	287.77

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

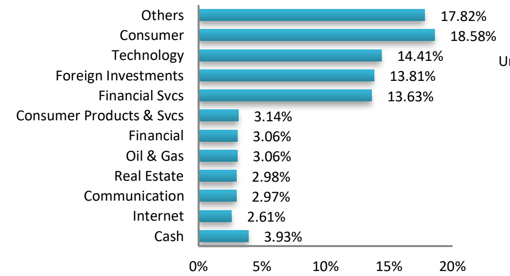
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Equity Fund
Fund Type	Capital Growth and Income Fund
Launch Date	13 July 2005
Unit NAV	RM0.4122
Fund Size (million)	RM5.39
Units In Circulation (million)	13.09
Financial Year End	31 May
MER (as at 31 May 2020)	3.21%
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.*

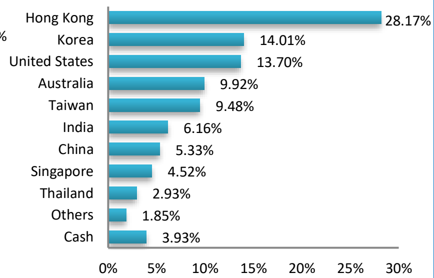
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

TENCENT HOLDINGS LTD	8.22
TAIWAN SEMICONDUCTOR MANUFACTURING	7.62
SAMSUNG ELECTRONICS CO LTD	5.92
ALIBABA GROUP HOLDING LTD	4.10
MEITUAN - CLASS B	2.82

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.4212	0.4212	0.6866
Low	0.3959	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

Major bourses, boosted by positive narratives, recorded strong gains in the month of November. These include heightened vaccines optimism, relatively good US macro data (strong PMI), optimism over the Donald Trump–Joe Biden transition and Janet Yellen's nomination to become the next US treasury secretary. Asia Pacific markets, as measured by the MSCI Asia Pacific ex Japan Index, gained 9.0% in USD terms in the month of November. Financials and Materials were the best performing sectors, gaining 15.7% and 14.3% respectively. Energy jumped 11.8% in just a month as Brent and WTI crude gained 25.4% and 24.7% over the month, as markets expects OPEC+ to hold output cuts amid declines in US crude supplies. However, the sector is still underperforming year to date with a -34.3% decline. Within regions, Thailand gained 24.9%, followed by Singapore (18.5%) and Korea (+17.9%), while China (+2.8%) lagged.

Vaccine results from AstraZeneca and Oxford University brought another wave of optimism. Although this vaccine is less effective (70% efficacy), it seems to be a far more practical solution from a logistical point of view, as it would be easier to distribute beyond the developed markets. The AstraZeneca vaccine only needs regular refrigerator temperature, whereas Pfizer and Moderna require special freezers (-70 degree Celsius). Following encouraging trial results, the FDA is likely to approve vaccines in coming weeks. Around 60% - 70% of the global population would need to be inoculated in order to fully break the link between the virus and economic activity. Given the scale (world population of 7.8 billion people) and the number of vaccines being developed requiring two doses (days between two doses ranging from 14-28 days), as well as the lack of global burden coordination, we may see mass vaccination globally occurring at a gradual pace, preventing a full normalization of mobility and cross-border flows. Looking more broadly, large shares of the population are likely to be vaccinated by late Q2 in all major developed markets.

The Regional Comprehensive Economic Partnership (RCEP), the world's largest trade agreement, was signed on 15 November. With its 15 members, it covers a market of 2.2 billion people and $26.2 trillion worth of global output. This accounts for 30% of global population and economy. China, Japan and Korea, as the largest economies, are the biggest gainers from the RCEP in absolute USD terms. Japan and Korea are also the major beneficiaries amongst the 15 RCEP members as measured by the incremental percentage change in real income, followed by Malaysia, Vietnam and Thailand.

China underperformed against major markets as the US fired another salvo at Chinese corporates. This executive order targets 31 Chinese firms with relationships with the military. The measure prohibits US investors from buying or selling shares of these companies. Cyclicals, such as materials, energy and financials, saw a strong rally while year to date leaders such as communication services, healthcare and consumer discretionary lagged. On 10 November, China's market regulator, the State Administration for Market Regulation (SAMR), released draft Anti-Monopoly Rules aimed at internet platforms. The new draft seeks to drive healthier competition in China's platform/digital economy, better alignment of interests among merchants, consumers and platforms, as well as to foster a long-term sustainable industry growth. It comes after regulators delayed the IPO of Ant Group. Hong Kong saw a resurgence of Covid-19 cases, resulting in tightened social distancing measures. The government announced an additional $600m to support tourism industry and removed stamp duty for commercial properties. Consumer Discretionary sector surged 16.0%, led by Macau gaming stocks as Gross Gaming Revenue (GGR) continued to see improvements ahead of visitation trends. Real Estate and Financials also outperformed, on Covid-19 vaccine related normalization.

The bank of Korea expected left rates unchanged but is less dovish on its growth outlook due to better exports outlook. Korea's performance mirrored global markets, whereby cyclical sectors such as Energy and Materials outperformed. Industrials gained as the Korean shipbuilding industry received the largest volume of new orders for the fourth straight month. Healthcare gains are led by Samsung Biologics as it announced strategic manufacturing partnership with Eli Lilly to produce Covid-19 antibody therapies. Taiwan Index rose to its all-time high, driven by Technology sector. TSMC gained on strong demand outlook, and lifted share-prices of second-tier foundries on secondary benefits of capacity tightness.

Australia, as measured by MSCI Australia Index, gained 15.6%. The Reserve Bank of Australia cut cash rates to a record low of 0.10%. The Australian dollar gained +4.5%, the best performing currency in the region. Covid-19 reopening theme was in focus. Energy (+33.3%), outpacing gains in Oil prices. Travel and Retail REITs also did well. India (+8.5%) as focus was on gradual opening of the economy. The number of Covid cases continue to decline following its peak in September. India's 3Q20 GDP declined 7.5%, an improvement from a 23.9% decline in 2Q20. Foreign institutional investors recorded its highest monthly inflows of US$ 8.3 billion into the Indian equities market. Cyclical sectors such as Financials, Industrials and Consumer Discretionary led gains, while Energy was the only sector that recorded negative returns.

ASEAN markets picked up during the month of November. Thailand and Singapore were standouts, Indonesia (+14.8%), Philippines (+7.6%) and Malaysia (+7.2%) also recorded significant gains. Financials reported strong gains over the month, with the sector surging 33.3% and 24.9% in Indonesia and Thailand.

Philippines' President Rodrigo Duterte has extended the implementation of general community quarantine (GCQ) in Metro Manila for the entire upcoming month of December. Philippines' Senate approved the third and final reading of the PHP4.5tn national budget for 2021, progressing the country's plans to open its fiscal pumps to drive economy recovery in 2021. The Indonesian government announced that it expects to complete the ratification of the comprehensive economic partnership agreement with Iceland, Lichtenstein, Norway and Switzerland by early-2021, which will help benefit Indonesia benefit from increase investment and trade between Indonesia and member European countries.

Singapore reported lower headline CPI inflation, as it was reported in late-November that CPI inflation declined 0.2% YoY for the month of October. Inflation came in lower than consensus expectations and MAS core inflation also edged down 0.2% in the same period. It was also reported that Singapore's system loan growth contracted again during month of October, dragged down by a continued slump in business loans. In terms of sectors, Consumer Discretionary, Financials and Communication Services reported gains of more than twenty percent.

Malaysia's government announced in November that it implemented an automatic moratorium on loan repayment, specifically for the bottom 40% income group and micro as well as SMEs. At the same time, the govt. signalled its intention to enforce the Conditional Movement Control Order (CMCO) strictly, warning that companies which fail to comply with stipulated standard operating procedures during the CMCO phase will face immediate revocation of their operating permits as well as legal action. Malaysia's market lagged as Healthcare stocks corrected amidst positive Covid-19 news.

Thailand recorded a current account surplus of USD0.99billion in October-2020 according to Bank of Thailand. At the same time, the Bank of Thailand will also hold an official briefing on 9th December 2020 to unveil additional measures to contain the strength of the Thai Baht. Finance Minister of Thailand has revealed that it expects Bank of Thailand to take "further strict" steps to restrain the Thai Baht but policy makers are unlikely to impose outright capital controls.

STRATEGY

Vaccine from AstraZeneca and Oxford University not only can be stored in normal refrigerator, it also has a longer storage life of at least 6 months, allowing more time for distribution. This poses positive vaccine hopes to the emerging markets, where logistics and storage capabilities may be limited, and would help to sustain the rotation play into the underperforming emerging markets which are very lightly owned. This positive development encourages us to add to ASEAN region which has underperformed for much of the year. This is funded through China. While we remain positive to China, which is at the forefront of restarting the economy, controlling the spread and has more policy space to revive activity. However, the ongoing US-China tensions will cap relative returns.

We have moved our strategy more value names and reopening plays as more news of positive progress of vaccine efficacy emerges. The portfolio continues to be positive on structural demand shifts such as gaming, e-commerce and foundries. Such companies are found in North Asian markets of China, Korea and Taiwan and have ample policy supports.