FUND FACTSHEET - DECEMBER 2020

All data expressed as at 30 November 2020 unless otherwise stated

3-year Fund Volatility 17.5 very high Lipper Analytics 10 NOV 2020

RHB RESOURCES FUND

This Fund aims to achieve long term capital appreciation through investments in securities of companies whose businesses are in or are substantially related to the natural resources sectors.

INVESTOR PROFILE

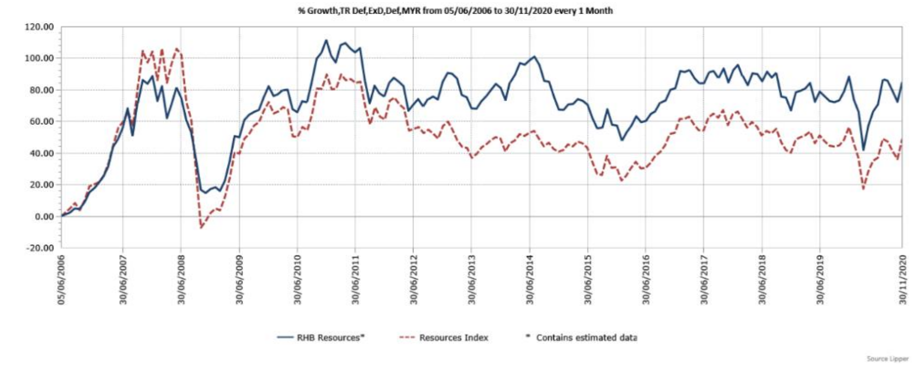
This Fund is suitable for investors who:
- wish to capitalise on the opportunities offered by the natural resources sectors;
- seek an investment well-diversified across the Asia Pacific markets;
- are willing to accept moderate to high risk in their investments; and
- prefer capital growth rather than income over a long term period.

INVESTMENT STRATEGY

- Up to 98% of NAV: Investments in securities of companies whose businesses are in or are substantially related to the natural resources sectors.
- 2% - 5% of NAV: Investments in liquid assets including bonds, 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	**7.24**	**-0.32**	**11.16**	**-1.81**
Benchmark	9.32	1.14	10.19	-4.77

	1 Year	3 Years	5 Years	Since Launch
Fund	**3.27**	**0.05**	**16.94**	**84.80**
Benchmark	0.37	-5.58	13.95	48.88

Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	**12.75**	**-13.27**	**6.27**	**15.01**	**-6.04**
Benchmark	11.49	-14.80	7.73	16.58	-6.98

Source: Lipper IM

FUND DETAILS

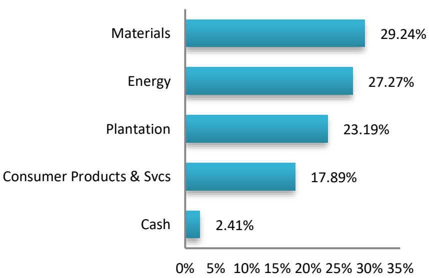
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Equity Fund
Fund Type	Growth Fund
Launch Date	16 May 2006
Unit NAV	RM0.5646
Fund Size (million)	RM19.64
Units In Circulation (million)	34.79
Financial Year End	31 March
MER (as at 31 Mar 2020)	1.67%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	50% FBM Asian Palm Oil Plantation+25% Bloomberg Asia Pac Mining(RM)+25% MSCI Asia Pac Energy(RM)
Sales Charge	Up to 5.26% of investment amount*
Redemption Charge	None
Annual Management Fee	1.50% p.a. of NAV*
Annual Trustee Fee	Up to 0.07% p.a. of NAV*
Redemption Period	Within 10 days after receipt the request to repurchase
Distribution Policy	Annually, if any and will be reinvested

**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.*

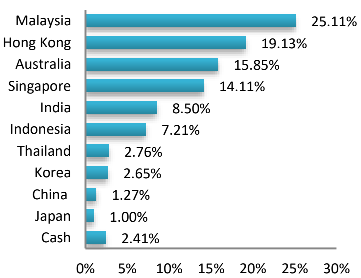
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

KUALA LUMPUR KEPONG BHD	8.32
RELIANCE INDUSTRIES LTD	8.17
IOI CORP BHD	7.82
WILMAR INTERNATIONAL LTD	7.81
SIME DARBY PLANTATION BHD	7.06

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5784	0.5874	0.8501
Low	0.5265	0.3940	0.3940

Source: Lipper IM

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RHB Asset Management Sdn Bhd (174588-X)

RHB RESOURCES 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. The global equity markets gained 12.2% in November, bringing the year to date return to 9.4%. Energy was the best performing sector, gaining 25.4% in just a month. However, the sector still underperforming year to date with a -34.3% decline. Within regions, Asia ex-Japan (+8.0%) underperformed, while the US (+11.4%), Europe (+17.1%), UK (+16.4%) and Japan (+12.5%) outperformed.

Vaccine results from AstraZeneca and Oxford University brought another wave of optimism. Even if this vaccine is less effective (70% efficacy) than the other two (95% 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) and ordinary freezers (-20 degree Celsius) respectively. Following encouraging trial results from Pfizer-BioNTech, Moderna and AstraZeneca, the FDA is likely to approve the Pfizer-BioNTech and Moderna vaccines in coming weeks with FDA Advisory Committee meetings on December 10 and possibly December 17 respectively.

Around 60-70% of the global population will 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.

Sentiment is being buoyed by two incrementally positive stories out from the United States. First, after weeks of delays, the US General Services Admission Administrator finally sent a letter to President-Elect Joe Biden, indicating that the agency is ready to make transition resources available to him and his team. News that Donald Trump seems ready to accept that the transition to Biden must begin was welcomed by the market. Adding to that President-Elect Joe Biden nominated former Federal Reserve ChairJanet Yellen to be the next US Treasury secretary. The relationship between Treasury and the Fed has been damaged and this move would help mend fences and improve coordination

The S&P Industrial metals index was up 11.3%. As investors move toward riskier investments, gold prices declined 5.4% (to close at $1,777/oz), the highest monthly fall in four years. Combined with inventory changes, Chinese monthly apparent consumption was firm in copper, aluminium and zinc. Zinc prices are receiving added support from raw material tightness; whereas nickel prices (for NPI) have been hit by weak apparent demand from stainless steel, while the battery market for EVs is recovering very strongly from weak first-half levels. Preliminary data from Mysteel suggests November has been another big month for Chinese crude steel production. China's Caixin PMI provided further evidence of strong manufacturing momentum, rising to 54.9.

Oil prices rallied during the month on a surprise decline in U.S. crude supplies and expectations of OPEC+ holding the output hike underpinned the rally. More importantly, the positive vaccine news and funds rotation into commodities helped lift oil prices as well. From October 2020 data, International land rig count was down 14 rigs MoM to 477 rigs and International offshore rig count decreased by 24 rigs MoM to 154 rigs. Meanwhile, CPO prices continue to climb higher on tightening supply amid the adverse weathers.

MARKET OUTLOOK AND STRATEGY

Over the medium term, we remain positive on Asia ex-Japan on prospects of growth uptick and hence returns for Industrial metals. China is the only major economy that registered a positive 2Q GDP growth. Amid "First in First out", China is at the forefront of restarting the economy and more policy space to revive activity. We expect the economic recovery in 2021 to benefit metals demand, especially from Chinese manufacturing FAI recovery and the property completion cycle to benefit the late-cycle metals including copper, aluminum and flat steel. Meanwhile, Chinese government has effectively capped capacity growth with swap policy since 2017, unlike in the past cycles. We expect late-cycle metals prices should outperform as improving demand meets with already high utilization and low inventory.

On the oil front, with renewed "lockdown" measures in Europe, oil demand will likely be dented in the near-term. However, optimism surrounding vaccines should be a tailwind for oil price recovery for 2021. OPEC+'s meeting in Dec-2020 indicates that members will likely extend production cuts (reduce supply) of roughly 7.7mbpd. This should place some support under oil prices going into Jan-2021. We expect Saudi's influence within core OPEC to prevail as the Middle East giant leans more towards extending production cuts (vs. Russia [OPEC+] preference for increasing output by 0.5mbpd). In which, we added to some oil names during the month.

We reduce the underweight in CPO companies as CPO demand/supply outlook improves. Malaysia's palm oil inventories has been declining since May 2020. La Nina conditions could further impact the soya crop, keeping CPO prices high. Disruptions from persistent heavy rainfall in Southeast Asia means global supply will remain tight until the first quarter of next year. Supply could also see a potential structural changes in global palm oil supply from next year as new plantings across major producers in Indonesia and Malaysia slowed since 2015 over concerns on deforestation and disrupting natural habitats.