RHB Asset Management

FUND FACTSHEET – MAY 2018

All data expressed as at 30 April 2018 unless otherwise stated

3-year Fund Volatility 33.6 very high Lipper Analytics 15 APR 2018

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:

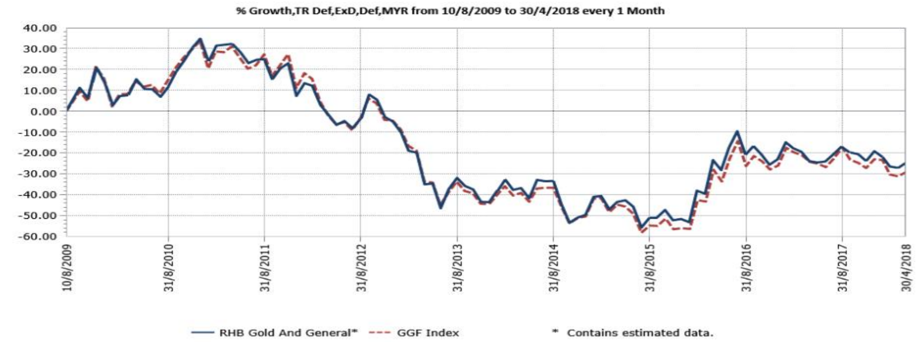
- wish to participate in the potential benefits derived from investment in companies involved in the mining and exploration of precious metals, energy or base metals;
- wish to diversify their investment portfolio from traditional asset classes; and
- are willing to accept a higher risk in their investments 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	**3.42**	**-3.60**	**-5.21**	**-6.92**
Benchmark	2.93	-7.55	-5.87	-8.00

	1 Year	3 Years	5 Years	Since Launch
Fund	**-0.87**	**33.66**	**16.02**	**-24.65**
Benchmark	-6.47	28.07	6.92	-29.04

Calendar Year Performance (%)*

	2017	2016	2015	2014	2013
Fund	**5.32**	**59.38**	**-4.01**	**-10.92**	**-40.59**
Benchmark	4.07	68.12	-11.34	-10.72	-41.64

Source: Lipper IM

FUND DETAILS

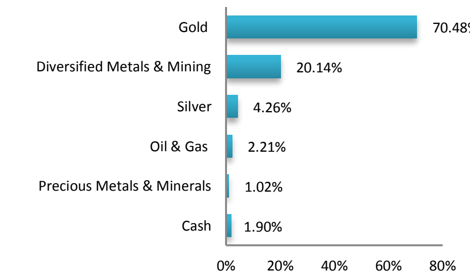
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Feeder Fund
Fund Type	Growth Fund
Launch Date	21 July 2009
Unit NAV	RM0.2839
Fund Size (million)	RM187.95
Units In Circulation (million)	662.01
Financial Year End	30 June
MER (as at 30 June 2017)	0.55%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	70% FTSE Gold Mines Index (RM) + 30% HSBC Global Mining Index (RM)
Sales Charge	Up to 5.50% of investment amount*
Redemption Charge	None
Annual Management Fee	1.80% p.a. of NAV*
Annual Trustee Fee	Up to 0.08% p.a. of NAV*
Switching Fee	RM25.00 per switch*
Redemption Period	Within 10 days after receipt the request to repurchase
Distribution Policy	None

**The implementation of GST will be effective from 1 April 2015 at the rate of 6% and the fees or charges payable is exclusive of GST.*

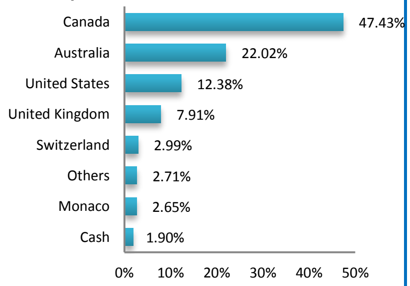
**For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

NEWMONT MINING CORP	9.13
TECK RESOURCES LTD	5.36
GOLDCORP INC	4.64
RIO TINTO PLC	4.42
BARRICK GOLD CORP	4.18

**As percentage of NAV*

**Source: UOBAM, 30 April 2018. Exposure in United Gold & General Fund - 96.42%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.2959	0.3282	0.6393
Low	0.2745	0.2722	0.1622

Source: Lipper IM

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MANAGER'S COMMENTS

MARKET REVIEW

Physical gold started April 2018 at US$1,325/oz and strengthened in the early part of the month given continued lacklustre behaviour by the US Dollar, US-led missile strikes against Syria, and President Trump remarking on "stupid" US-China trade policies. Gold eventually rose to an intra-month high of US$1,353/oz on 11 April 2018. However, the US Dollar started to recover in the second half of April after the European Central Bank sounded a cautious note on its monetary tightening. This lead to the DXY index making a clear breakout against its down-trend over the past year. A stronger USD is typically negative for gold, and the gold price declined to finish the month at US$1,315/oz.

The gold price was generally supported by remarks by Federal Reserve ("Fed") members during April 2018. Fed Chair Jay Powell commented that the US and China should work out their trade differences in an amicable manner, and that he supported a patient approach to tightening US monetary policy. This was followed by Chicago Fed President Charles Evans stating that although the Fed was aiming for an average of 2.0% inflation, it did not need to respond strongly if inflation rose to 2.25% for a short period of time. While US interest rates can be expected to rise this year, a cautious approach by the Fed to raising rates should still be supportive of gold as US real interest rates are likely to remain at low levels.

Geopolitical pressures were relatively neutral during the month. Financial markets were reassured by South Korean press reports that North Korea was offering "complete denuclearisation", and there was a softening of recent US sanctions on targeted Russian countries. News relating to a potential trade war with China was mixed. At the start of April 2018, China announced a series of tariff increases on US exports to China totalling US$3.0bn per annum. Yet by month-end, China announced concessions relating to automotive tariffs on US automotive imports. As previously noted, a full-scale trade war would cause financial market volatility, and should lead to safe haven buying of gold.

April 2018 saw COMEX gold long positions decrease to 811 tonnes (-18.6% mom), with COMEX gold short positions increasing to 407 tonnes (+52.4% mom). This meant net long positions declined to 404 tonnes (-44.6% mom), the lowest level in nine months. COMEX gold positioning is now in oversold territory. UBS data showed total aggregate Gold ETF holdings at 2,325 tonnes (+2.9% mom). IMF data on central bank purchases showed the Russian Central Bank bought 9 tonnes in March 2018. This increased Russia's official gold reserves to 1,891 tonnes, above the official holdings of the People's Bank of China (PBoC) which remained unchanged at 1,842 tonnes.

Gold equities outperformed physical gold in April 2018, with the ratio between physical gold and the HUI gold equity index declining to 7.4x, from 7.7x previously. Early data on 1Q18 production was generally positive. Although first quarter production volumes are typically weak relative to the following quarters, importantly there has been no sign of escalating production costs. Country risk remained an issue, with tariff uncertainty in various African countries underlying the attractiveness of mines in safer jurisdictions such as Australia and Canada. The Target Fund remained predominantly invested in Australian and Canadian producers.

The EMIX Global Mining Index rose in April 2018, with investors overlooking US-China trade concerns and concentrating on good manufacturing PMI data across multiple regions, and on the absence of any uptick in inflationary pressure in the US economy. However, the Target Fund remains aware of the potential risks posed by a trade war or escalating Middle East tensions. Although the Target Fund retained a neutral benchmark weighting in mining companies, it continues to invest in low-cost, high dividend paying producers with strong balance sheets.

The West Texas Intermediate crude oil price started April 2018 at US$64.94/bbl and closed the month higher at US$68.57/bbl (+5.6% mom). Brent crude oil prices also decreased to US$75.17/bbl (+7.0% mom). Syrian geopolitical tensions, the threat of renewed Iranian sanctions and falling Venezuelan output were again the driving factors, with sharp production declines in Venezuelan output becoming particularly acute. Geopolitics is likely to keep crude oil prices high in the near-term, with any price relief now dependant on OPEC easing its current supply restrictions.

MARKET OUTLOOK AND STRATEGY

Financial markets expect further interest rate hikes and monetary tightening from the US Federal Reserve. However, US monetary policy contrasts with the Bank of Japan and the ECB, both of which continue with quantitative easing programs. This divergence may cause volatility in global currency markets and has uncertain implications for global inflation. Unconventional monetary policy and negative real interest rates could fuel higher inflation, which would be positive for gold and for general commodity prices. Conversely, disappointing economic growth could result in deflation and systemic risk to the global banking system. The Target Fund expects to hold a neutral to overweight position in gold equities relative to the benchmark, with a preference for mid-tier and junior producers with growing volume output and low production costs. The Target Fund's preference for gold is based on the Target Fund Manager's belief that gold-related assets can perform well in both inflationary and deflationary environments.