

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:

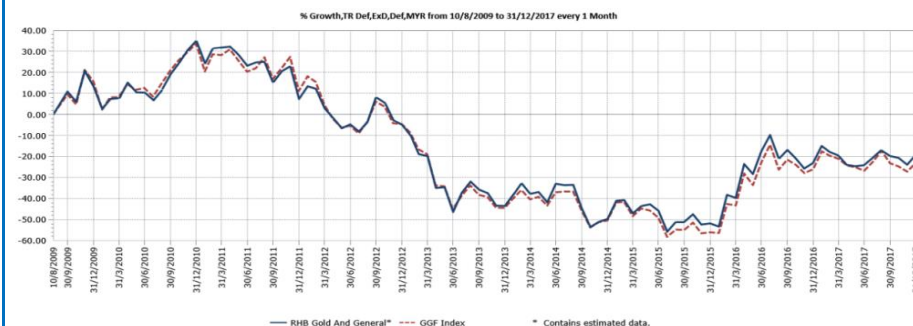
- wish to participate in the potential benefits derived from investment in companies involved in the mining and exploration of precious metals, energy or base metals;
- wish to diversify their investment portfolio from traditional asset classes; and
- are willing to accept a higher risk in their investments 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	6.16	0.69	6.76	5.32
Benchmark	5.75	0.25	5.17	4.07

	1 Year	3 Years	5 Years	Since Launch
Fund	5.32	61.12	-14.73	-19.05
Benchmark	4.07	55.12	-19.18	-22.87

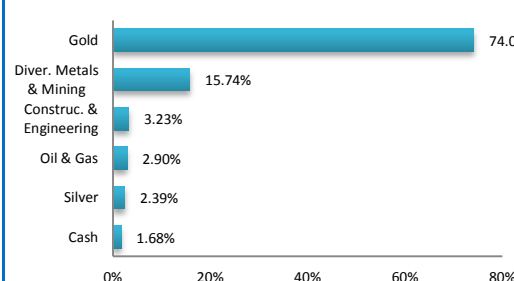
Calendar Year Performance (%)*

	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

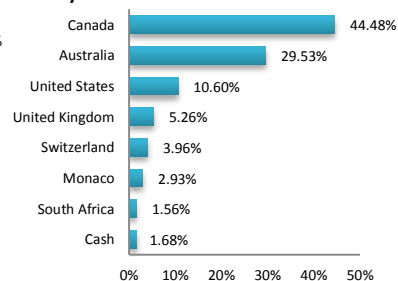
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

NEWMONT MINING CORP	8.90
PRETIUM RESOURCES INC	4.91
BARRICK GOLD CORP	4.66
EVOLUTION MINING LTD	4.45
GLENCORE PLC	3.96

*As percentage of NAV

*Source: UOBAM, 31 December 2017. Exposure in United Gold & General Fund - 97.16%

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.3059	0.3436	0.6393
Low	0.2772	0.2722	0.1622

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	RM0.3050
Fund Size (million)	RM202.28
Units In Circulation (million)	663.24
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.

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.

MANAGER'S COMMENTS

MARKET REVIEW

Physical gold started the month at US\$1,275/oz, but declined ahead of the 2-day Federal Open Market Committee (FOMC) meeting on 12-13 December 2017. This was due to the widespread expectation that the FOMC would increase the Fed Funds rate. This duly happened, with the rate increase announced on 13 December 2017. Having reached an intra-month low of US\$1,242/oz just before the FOMC meeting, the gold price then began to rally and continued to move upwards for the remainder of the month. The strength in the gold price coincided with US Dollar weakness, with the DXY index falling by 1.5% in the later part of December 2017. The gold price eventually finished the month at US\$1,303/oz.

The increase in the US Fed Funds rate to 1.50% was both the third 0.25% increase announced in 2017, and also the third successive December rate increase. The gold price had also rallied after the previous two December rate hikes, partly as a "sell-on-the-news" reaction but also on concerns that higher US interest rates would have a negative impact on economic growth, both in the US and indirectly in other countries with a high level of US-denominated debt. Gold could benefit from the potentially negative impact of higher interest payments on economic activity, as government- and corporate debt becomes more expensive.

The Trump administration achieved an important victory with the passage of its tax bill, with the US Senate giving approval on 19 December 2017 and the House of Representatives on 20 December 2017. While US bond yields traded higher, the Fund believes that gold benefited from concerns that the US government deficit may increase in future years, and that the stimulus effect on the US economy could result in higher domestic inflation.

December 2017 saw COMEX gold long positions decrease to 770 tonnes (-28.1% mom), with COMEX gold short positions rising to 296 tonnes (+8.8% mom). This meant net long positions fell to 474 tonnes (-40.6% mom), although COMEX gold positioning was still in overbought territory. UBS data showed total aggregate Gold ETF holdings unchanged at 2,227 tonnes (+0.0% mom). IMF data on central bank gold purchases showed the Russian Central Bank bought 28 tonnes in November 2017, increasing its official gold reserves to 1,828 tonnes. The People's Bank of China (PBoC) made no addition to its current official gold reserves of 1,842 tonnes.

Gold equities outperformed physical gold in December 2017, with the ratio between physical gold and the HUI gold equity index decreasing to 6.8x, from 6.9x previously. While the average USD gold price was unchanged from the previous quarter at the US\$1,280/oz level, the Australian and Canadian dollar gold price was slightly higher, supporting the likelihood of good 4Q17 results. This should mean a continuation of strong FCF generation and the potential for higher dividend payments by select companies. The Fund remained largely invested in Australian and Canadian producers that have low operating costs and good production growth profiles.

The EMIX Global Mining Index rallied hard in December 2017, helped by US Dollar weakness and reasonable strength in Chinese economic activity - with little disruption to date from the mild winter. In addition to previously announced production cuts, Chinese domestic production was impacted by railway problems and gas shortages, leading to a price spike in coal as well as other commodities. Continuing price strength means that 4Q17 financial results should be very strong for mining companies. This is likely to produce earnings upgrades for FY18, given that spot prices are well ahead of current broker assumptions. The Fund retained a neutral benchmark weighting for general mining companies.

The West Texas Intermediate crude oil price started December at US\$57.40/bbl and closed the month higher at US\$60.42/bbl (+5.3% mom). Brent crude oil prices also increased to US\$66.87/bbl (+5.2% mom). Crude oil prices continued to benefit from strong demand from emerging markets, with Chinese demand increasing by 5.0% yoy and Indian demand growing by 8.0%. OPEC production discipline remained firm, with no signs that the change in Saudi political leadership had resulted in changes to that country's oil production policy. Oil prices also benefited from production problems in the UK's Brent field.

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 result in higher inflation, which would be positive for gold and for general commodity prices. Conversely, disappointing economic growth and government spending cuts could result in deflation and systemic risk to the global banking system. The 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 Fund's preference for gold is based on our belief that gold-related assets can perform well in both inflationary and deflationary environments.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 December 2017, the Volatility Factor (VF) for this fund is 35.1 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are more than 10.7 (source: Lipper). The VF means there is a possibility for the fund in generating an upside return or downside return along 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 2017 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 2017.

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 PHS and the contents of the Master Prospectus dated 6 October 2017 and its supplementary(ies) (if any) ("the Master Prospectus") before investing. The Master Prospectus has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. 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.

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 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.

RHB Asset Management Sdn Bhd (174588-x)
Head Office: Level 8, Tower 2 & 3, RHB Centre, 50400 Kuala Lumpur
General Line: 603-9205 8000
www.rhbgroup.com


RHB Asset Management Sdn Bhd (174588-X)

