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## RHB INVESTMENT BANK LAUNCHES TOP 20 SMALL CAP COMPANIES JEWELS 2021

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**Kuala Lumpur** – RHB Investment Bank (“RHBIB” or “Bank”) today launched its RHB Top 20 Malaysia Small Cap Companies Jewels 2021 featuring new small cap stock ideas for investors to consider. This 17<sup>th</sup> Edition is part of a larger RHB ASEAN Small Cap yearly compendium from the bank’s research teams in Indonesia, Singapore and Thailand.

The 20 companies covered in the publication have a market cap limit of less than USD1 bil, covering seven different industry segments. Selection of these Jewels take into consideration factors including the companies’ liquidity spread and size, managements’ track record, industry fundamentals, earnings growth potential, the long term sustainability of the industry and their commitment to environmental, social, and governance (“ESG”) principles.

“The past year has seen volatile equity markets following the impact of the COVID-19 pandemic and within that, we have seen the adaptability of small cap companies in managing a fluid business environment. Technology, industrial products and services sectors continue to dominate the market, thanks to the inelastic underlying demand and strong investor interest amid the prevailing low interest rate environment. Overall, the small cap index has been encouraging – generating returns of 10.7% YTD as compared to the 9.9% in 2020, and we see this buoyant trend continuing,” said Dato’ Khairussaleh Ramli, Group Managing Director of RHB Banking Group.

The RHB Top 20 Malaysia Small Cap Companies Jewels 2020 Edition outperformed the broader market with a value-weighted holding period return of 100.1%, since its launch in May 2020, against the benchmark FBM70 (+31.1%) and FBMSC (+49.3%). In achieving this, RHB’s equity research analysts have been relentless in stock screening initiatives, employing meticulous fundamental analysis and filtering for governance issues amid a backdrop of extreme market

conditions. From the selections, 90% were gainers spanning across various sectors and demonstrating the ability to adapt and capitalise on the “new normal” business and economic environment.

The launch attracted approximately 60 fund managers and buy-side analysts from insurance companies, private asset management companies, unit trust companies, government-linked companies, and pension funds from Malaysia and the ASEAN region. Representatives from five Malaysian-listed companies, along with five companies from Singapore and two from Indonesia and Thailand respectively, shared their perspectives and prospects at the virtual launch.

The RHB Top 20 Malaysia Small Cap Companies Jewels 2021 continues a strong track record spanning the past 17 years in unearthing hidden gems, which has become an RHB trademark garnering a strong investor following. All 20 companies featured in this year’s book are outside RHB Research’s existing coverage portfolio, as it seeks to uncover even more under-researched gems. The median trailing P/E and ROE of these 2021 Jewels were 21.9x and 4.8% with an average market capitalisation of RM437 mil. The biggest sector representation includes industrial products and services, and consumer.

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