

RHB SMALL CAP OPPORTUNITY UNIT TRUST

This Fund aims to achieve long term capital appreciation through investments in companies with market capitalisation of not more than RM750 million.

INVESTOR PROFILE

This Fund is suitable for Investors who:

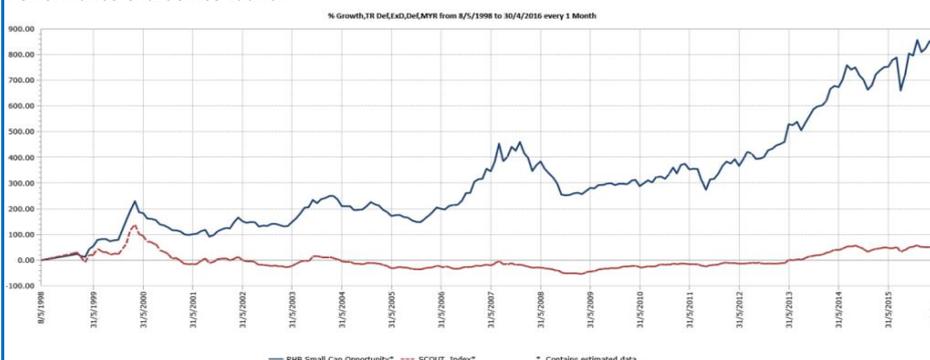
- are fairly aggressive investors; and
- are willing to accept higher risk in order to obtain higher growth of their capital over a long term period.

INVESTMENT STRATEGY

- 95% - 98% of NAV: Investments in securities of companies with market capitalisation of not more than RM750 million.
- 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	-1.52	3.11	3.74	-1.95
Benchmark	0.71	-0.08	0.05	-4.22

	1 Year	3 Years	5 Years	Since Launch
Fund	10.28	67.59	97.50	837.15
Benchmark	0.66	71.72	73.08	51.01

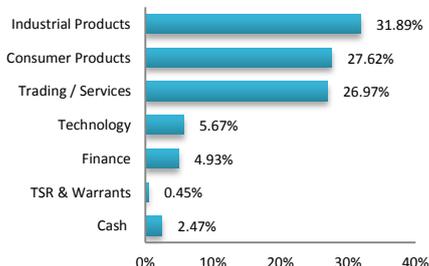
Calendar Year Performance (%)*

	2015	2014	2013	2012	2011
Fund	25.39	9.27	32.48	20.74	-0.02
Benchmark	18.18	11.07	36.33	6.21	0.08

Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Top Holdings (%)*

PIE INDUSTRIAL BHD	9.51
UNITED U-LI CORPORATION	9.46
ORIENTAL FOOD INDUSTRIES HOLDINGS BHD	5.23
SCC HOLDINGS BERHAD	4.93
ES CERAMICS TECHNOLOGY BHD	4.82

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.0944	1.2332	1.3063
Low	1.0698	0.9688	0.5291

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)	Yield (%)
16 Dec 2015	14.1500	12.83
16 Dec 2014	13.7500	11.63
27 Dec 2013	9.0625	8.94
31 Dec 2012	4.2542	4.83
31 Dec 2011	10.2400	10.89

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

LOCAL MARKET SUMMARY

FBMKLCI decreased by -44.86 points in the month of April 2016, to close at 1672.72 points, a decrease of -2.61% month-on-month (mom), while decreased by -1.17% year-to-date basis (ytd). This was a reverse from the positive gain in March on ytd basis, which is likely caused by the concern over the default by 1MDB.

Crude Palm Oil (CPO) spot price declined by -3.68% mom in April 2016 to close at RM2577.50/tonnes, while on ytd basis, it increased by +17.2%. The decline in the spot prices for the month, was affected by seasonal increase in CPO production and also concerns over drop in output will outweigh price increase.

Brent Crude Oil price continued to increase by 21.54% mom to USD48.13/barrel, while registering an increase of +29.1% on the ytd basis. The continued uptrend was due positive sentiment over OPEC producers signal that the door remains open for an accord limiting supplies, after a proposal to freeze output failed in Doha. In addition, the decline in U.S. output also help in supporting the oil price.

The **Malaysia Ringgit** has declined slightly to RM3.9129/USD, depreciated by -0.80% mom in April 2016. The slight depreciation of the Ringgit was attributed to concerns over domestic issues but was mitigated by the oil price strength, and dovish U.S. Fed that boost emerging country currencies.

MARKET OUTLOOK & STRATEGY

In the latest meeting, the U.S. Fed signaled its cautious position in raising the interest rate further. Though market may feel relief, this also signal that the Fed have a cautious outlook towards the development of the global economic situation, especially China. The key concern in China will be health of the financial institutions. As for EU, though the latest round of rate cut and stimulus is a welcomed move to stimulate the economy, the decreasing banking margin is a data investors should monitor closely. Despite the seemingly cautious tone, we are optimistic on the world economic growth. Though the IMF has cut its world GDP growth forecast for 2016 and 2017, the projected growth is still in positive territory. The low oil prices, and also accommodative monetary policies by global central bankers will help to sustain global growth this year.

Domestically, the policies implemented by the government over the past few years such as implementation of GST and subsidy cut have changed the income statement of the government substantially, making it more structurally sound. Malaysian export are still gaining ground, which has been the trend and not due to a one-year currency effect. The economic policy is on the right path, while monetary and fiscal policy remains accommodative and supportive of the economic growth going forward. The key catalysts for the equity market going forward include the gradual recovery of the oil price, the ending of the foreign investor capitulation, undemanding valuation, resolution of domestic issues and accommodative global monetary policies.

In terms of strategy, we will continue to focus in value investing. Though there are many investing thoughts such as value-oriented, growth-oriented, etc, our value approach is all-encompassing. Buying a value stock means we see growth going forward, and buying a growth stock means we see the value at the moment. The weakness in the market in the last 4 months was mainly due to investors shunning export-exposed companies, due to concern over the strengthening of the RM. Thus, investors should not focus solely on the RM play. Investors should pay attention to is whether the company can generate earnings growth from new products, new capacity and new markets. This will separate the companies which have real growth and those that relied on currency weakness to show growth. Amidst the fear in the market, we will continue to focus on good quality stocks that have resilient earnings, strong balance sheet and cash flows; and ability to demonstrate clear growth strategy that will benefit the fund in the longer term.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 April 2016, the Volatility Factor (VF) for this fund is 16.9 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are above 10.6 (source: Lipper). The VF means there is a possibility for the fund in generating an upside return or downside return around 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 31 December 2015 which is calculated once every six months and is valid until its next calculation date, i.e. 30 June 2016.

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 3 August 2015 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 lack of diversification to include larger sized companies, liquidity of underlying investments, equity investments risks such as market risk and particular security 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.