

RHB CAPITAL FUND

This Fund aims to achieve long term growth through capital appreciation with all income including profits on realisation of investments being automatically reinvested for its compounding effect.

INVESTOR PROFILE

This Fund is suitable for Investors who:

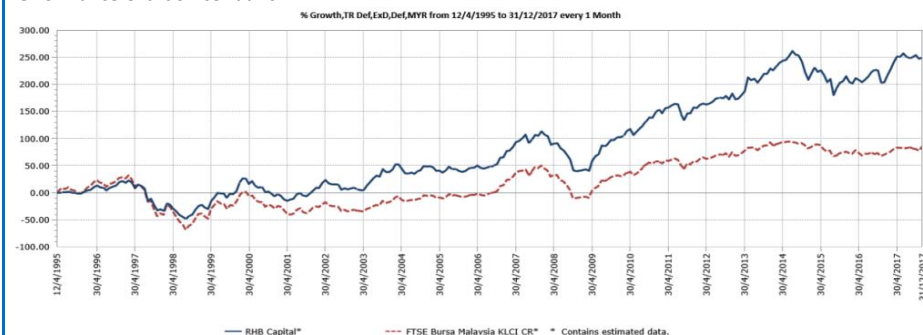
- want a professionally managed portfolio of shares and fixed income securities;
- have a medium to long term investment horizon of 3 to 5 years or more;
- want to achieve regular income and capital gain at an acceptable level of risk; and
- want to invest in shares but do not have the time to manage their own portfolio.

INVESTMENT STRATEGY

- Minimum of 60% and up to 95% of NAV will be invested in equities.
- Minimum of 5% of NAV will be invested in fixed income securities and/or liquid assets.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	0.44	-0.32	-2.38	14.65
Benchmark	4.60	2.35	1.88	9.45

	1 Year	3 Years	5 Years	Since Launch
Fund	14.65	12.98	23.05	248.37
Benchmark	9.45	2.02	6.39	86.00

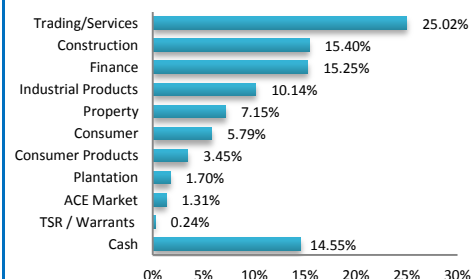
Calendar Year Performance (%)*

	2017	2016	2015	2014	2013
Fund	14.65	-3.32	1.93	-6.40	16.36
Benchmark	9.45	-3.00	-3.90	-5.66	10.54

Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Top Holdings (%)*

ECONPILE HOLDINGS BHD	6.80
CIMB GROUP HOLDINGS BHD	6.62
KAWAN FOOD BHD	4.80
AIRASIA BHD	4.55
COMFORT GLOVES BHD	3.63

*As percentage of NAV

FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	Maybank Trustees Bhd
Fund Category	Equity Fund
Fund Type	Capital Growth Fund
Launch Date	12 April 1995
Unit NAV	RM1.1056
Fund Size (million)	RM176.82
Units In Circulation (million)	159.93
Financial Year End	30 April
MER (as at 30 April 2017)	1.67%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	FBM KLCI
Sales Charge	Up to 6.00% of NAV per unit*
Redemption Charge	None
Annual Management Fee	Up to 1.50% p.a. of NAV*
Annual Trustee Fee	0.06% p.a. of NAV*
Switching Fee	RM25.00 per switch*
Redemption Period	Within 10 days after receipt the request to repurchase
Distribution Policy	Incidental

*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 STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.1057	1.1576	1.5245
Low	1.0815	1.0226	0.4012

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)	Yield (%)
20 Apr 2017	6.5000	6.06
28 Apr 2016	10.3500	9.16
28 Apr 2015	11.5000	8.48
28 Apr 2014	11.0000	7.87
30 Apr 2013	7.7466	-

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

MARKET REVIEW

Asia Ex Japan equities scaled 2.5% in December 2017, taking 2017 returns to 38.7%. China edged up 1.9% during the month, crossing the milestone of 50% returns for 2017, while Hong Kong rose 2.7% and Taiwan 1.2% in December 2017. Tighter monetary conditions in China and the adverse impact of lukewarm demand of iPhone X on Apple's supply chain explain the relative underperformance of Greater China. India added 4.9% following the consolidation of power by the ruling BJP through victories in key state assembly elections. ASEAN countries had a strong run in December 2017 given the strength in commodities. Indonesia (+8.5%) benefitted from a sovereign ratings upgrade by Fitch. Singapore added 0.6%, Thailand 4.9%, and the Philippines 5.0%.

December 2017 was a good month as the KLCI rose to a new high on the last day of 2017, on the back of window dressing activities. For the month, the KLCI rose 4.6% or 79pts to close at 1,796.8pts driven by the finance and technology sectors. The FBMKLCI started the month flat, as the market lacked catalysts. However, after the Federal Reserve announced the widely expected 25bps rate hike on 13 December 2017, this caused the equity market to rally buoyed by banking stocks which was the best performing sub-index in December 2017. Heading towards the end of the month, the index continued its uptrend due to interest in blue-chips as well as continued foreign buying. Foreigners net bought MYR165mn worth of shares during the last trading week of the year. The index ended the month strongly with foreigners net buying MYR912.6mn worth of shares. This brings the total foreign inflows of MYR 10.585bn for the FBMKLCI in 2017 (vs net sell MYR 2.9bn in 2016) driving the index to end the year strong, gaining 9.45% for the year. Best performer sector during the month was Finance (+5.87%) and biggest movers were Maybank (+5.95%), CIMB (+8.1%) and HL Bank (+12.29%). Worst performing sector was construction (-0.02%) There were not much catalysts for the construction sector heading towards year-end, in addition to the currently intense competition within the construction space which failed to boost sentiments.

On the corporate front, IJM Corp and Sunway Construction has entered in a pre-bid agreement with 3 companies to participate in the tender of KL-SG HSR. Pestech has executed a contract agreement worth US\$26 million (RM106.11 million), to develop two substations and double-circuit transmission line in Cambodia. Dutch company Jacobs Douwe Egberts Holdings Asia NL B.V. (JDE) has launched a takeover of OldTown for RM1.47bn or RM3.18 a share. Meanwhile, Econpile has secured a RM32.8 million contract from Majestic Maxim Sdn Bhd, to undertake piling and related works for a mixed development in Kuala Lumpur. Sapura Energy posted a net loss of RM274.71 mill in its 3QFY18 compared to a net profit of RM158.06 mill a year ago.

MARKET OUTLOOK AND STRATEGY

We expect the general elections to be held soon between March to May 2018 (ie after festive holidays CNY and before Ramadan fasting month). In view of this, political stocks may stole the lime light in the 1Q2018. While the Malaysian market was among the worst performing emerging markets last year in 2017, it is worth pointing out that there have been a series of positive developments lately that would increase investors' sentiments. Positive developments worth highlighting are currency strengthened with a favourable outlook and 3Q17 GDP beat street estimates again. Commodities prices in particular oil prices has recovered and stabilized above USD60 per barrel. We remain invested in equity market to take advantage of the strong macroeconomic numbers which will eventually translate into better consumption demand. We do not expect any drastic sell down in the market given that current valuation are not that expensive. A strong macro print, and gradual appreciation of the MYR will likely sustain foreign inflows into equities.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 December 2017, the Volatility Factor (VF) for this fund is 11.4 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 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 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 15 July 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 stock market risk, liquidity risk, individual stock risk and issuer 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.