

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:

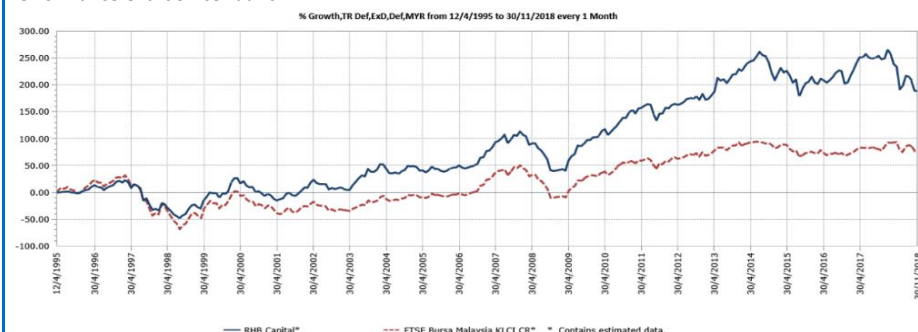
- want a professionally managed portfolio of shares and fixed income securities;
- have a medium to long term investment horizon of 3 to 5 years or more;
- want to achieve regular income and capital gain at an acceptable level of risk; and
- want to invest in shares but do not have the time to manage 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	-0.54	-8.52	-1.19	-17.32
Benchmark	-1.72	-7.68	-3.49	-6.51

	1 Year	3 Years	5 Years	Since Launch
Fund	-16.96	-5.59	-9.91	188.04
Benchmark	-2.21	0.46	-7.33	73.90

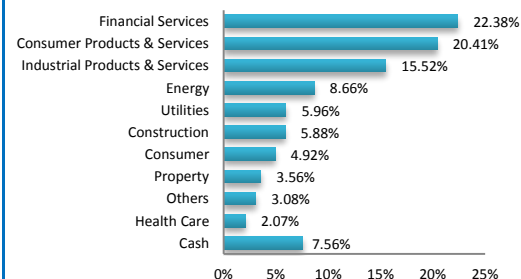
Calendar Year Performance (%)*

	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 (%)*

MALAYAN BANKING BHD	6.40
TENAGA NASIONAL BHD	5.96
CIMB GROUP HOLDINGS BHD	5.77
AIRASIA GROUP BHD	5.38
BRITISH AMERICAN TOBACCO BHD	5.12

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.9430	1.1724	1.5245
Low	0.9045	0.8884	0.4012

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)	Yield (%)
20 Apr 2018	1.1400	1.02
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

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

MARKET REVIEW

Global equity markets rose 3.3% in the last week of November 2018 to advance 1.3% during the month, thereby curtailing YTD losses to 4.3%, as Fed Chairman Jerome Powell hinted at the possibility of approaching the end to the hiking cycle. Asia ex-Japan equities rose 5.2% in November 2018, reducing YTD losses to -13.9%. The promise of an accommodative stance from the government, especially towards the private sector, at the end of October and optimism around a temporary truce in the US-China trade war provided impetus to China (7.3%) and Hong Kong (7.0%) equities. Korea (+3.4%) underperformed relatively, given a weak 3Q earnings season and a gloomy earnings outlook for the tech sector in the region. Weak guidance from Apple led to the downward revision on tech countries like Korea and Taiwan.

KLCI posted its third consecutive monthly decline of 1.7% mom in November 2018. The KLCI fell 29.4 points to close at 1,679 points at end November 2018. As a result, KLCI's YTD losses widened to 6.5%. We believe the decline could be due to foreign selling, weaker than expected results from earnings season, and losses in the Genting group's share prices. The latter was due to higher gaming taxes announced in Budget 2019 as well as news that the group has filed a US\$1bn legal suit against Walt Disney Co and Twenty First Century Fox Inc over the cancellation of the first Fox branded theme park. Foreigners were again net sellers in Nov 18 with a net outflow of RM0.7bn.

Malaysia real GDP growth softens to 4.4% yoy in 3Q18 (from 4.5% in 2Q18), which is a tad lower than Bloomberg market consensus of 4.6%. A mildly expansionary 2019 budget with allocations for tax refunds and supportive measures has also provided more policy clarity. Key contributors to growth in 3Q18 were domestic demand particularly private sector spending while net exports turned bumpy. Key sectors that recorded expansion were services, manufacturing, and construction, while agriculture and mining & quarrying contracted further.

The current account surplus narrowed slightly to RMR3.8bn or 1.0% of GDP in 3Q18 (from RM3.9bn or 1.1% in 2Q18), bringing year-to-date current account surplus to RMR22.7bn or 2.1% of GDP. The narrower surplus in 3Q18 was mainly due to a wider deficit in the income account, which was offset by a higher goods trade surplus and narrower services deficit. Malaysia's modest growth is in line with a trend of slowing growth in the region. Emerging Market (EM) growth has been waning since March this year, affected by rising global interest rates, trade tensions, and idiosyncratic stress events in Argentina and Turkey. The main concerns going into 2019 remain the ongoing US-China trade dispute and the quantum of Fed rate.

MARKET OUTLOOK AND STRATEGY

Malaysia's economy is showing resilience and continues to perform however at moderating pace. Fiscal consolidation may see transitory impact on growth. Hence, going forward, government policy priorities will balance the objectives of fiscal consolidation and ensuring more inclusive economic growth. In this regard, we foresee a short-term impact on economic growth pursuant to the implementation of the fiscal reforms. However, structural policy measures as well as high impact development programmes and projects will continue to be implemented, albeit in a more transparent and financially sustainable manner. The growth outlook until 2020 can be deemed as cautiously optimistic.

Overall, we retain our view that the stock market could be volatile in the months ahead due to short-term domestic policy uncertainty and external risk factors. However, we are positive on the government's push to reform the country in the medium-to-long term. The coming budget in 2 November 2018 will be closely watched as investors will see how the new government will chart economy growth going forward. As the priority is to reduce the national debt, we believe that certain sectors will face lower allocation and some form of taxes may be introduced to increase the national revenue.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 November 2018, the Volatility Factor (VF) for this fund is 12.6 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are more than 11.1 (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 2018 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 2018.

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.