

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:

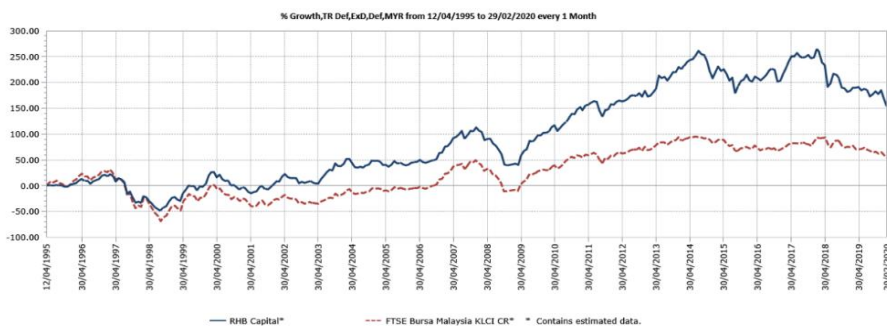
- want a professionally managed portfolio of shares and fixed income securities;
- have a medium to long term investment horizon of 3 to 5 years or more;
- want to achieve regular income and capital gain at an acceptable level of risk; and
- want to invest in shares but do not have the time to manage 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	-5.28	-8.59	-7.08	-10.92
Benchmark	-3.16	-5.07	-8.03	-6.68

	1 Year	3 Years	5 Years	Since Launch
Fund	-12.45	-22.64	-23.50	153.25
Benchmark	-13.18	-12.47	-18.59	53.48

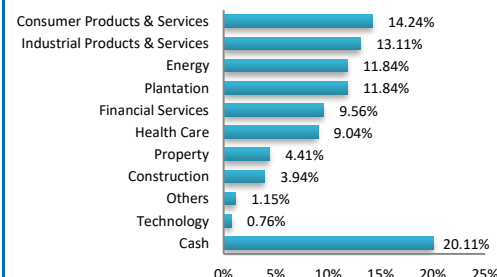
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	1.08	-19.27	14.65	-3.32	1.93
Benchmark	-6.02	-5.91	9.45	-3.00	-3.90

Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Top Holdings (%)*

MALAYAN BANKING BHD	7.94
DIALOG GROUP BHD	6.72
TOP GLOVE CORP BHD	4.28
DRB-HICOM BHD	4.21
SUPERMAX CORP BHD	3.85

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.8375	0.9258	1.5245
Low	0.7823	0.7823	0.4012

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
25 Apr 2019	1.5000	1.60
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

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

MARKET REVIEW

Investor euphoria on global equities in January 2020 was punctured by concerns of global growth slowdown, triggered by the spread of the Coronavirus epidemic. Risk assets plunged with global equities declining 10.5% in the last week of February 2020. As the pandemic rippled across the world, investors sought safety in bonds, bringing down the 10-year US Treasury yield to 1.15%, with the futures market pricing in three potential rate cuts during the year. Developed Markets equities corrected 8.6% in February 2020 (YTD: -9.2%), led by the US (-8.3%) as it succumbed to the perils of elevated valuations. Emerging Markets equities (-5.3% in February 2020, YTD: -9.8%), which had already taken a hit last month, relatively outperformed Developed Markets in February 2020. As for Asia Ex-Japan, China (+1.0%) was the only country (out of 49) in the MSCI All Country World Index to advance in February 2020, as the virus outbreak peaked in the mainland early on in the month, while Korea (-7.3%) reported a spurt of new virus cases. India (-7.4%) relented from announcing any major fiscal stimulus in the Annual Budget, while political uncertainty weighed on Thailand (-12.6%) and Malaysia (-6.4%).

Amidst the political uncertainty, interim Prime Minister Tun Mahathir announced an economic stimulus package with a headline impact of RM20bn, mainly having three thrusts: 1) mitigating the impact of COVID-19; 2) spurring rakyat centric economic growth; and 3) promoting quality investments. Sectors which could see the most direct impact, in our view include transport and logistics, utilities and consumer.

In a twist of events in Malaysia's political arena over the past week we saw a new Prime Minister sworn in on 1 March 2020, with the King's blessing, believed to be backed by a majority comprised of the Barisan Nasional, PAS and Bersatu parties and a group of independent MPs. There is no clarity on the new cabinet at the time of writing, neither is there a clear agenda for the new coalition. FBM KLCI faced selling pressure on Monday morning (2 March) due to inherent domestic uncertainty in addition to the global economic slowdown and Covid-19 concern. Construction stocks under pressure as the change in the political landscape could entail award delays. FBM KLCI was down 3.16% for the month of February 2020 and 6.68% YTD to close at 1,482 points. Construction sector was the worst hit sector, down 12.6% YTD.

MARKET OUTLOOK AND STRATEGY

The FBM KLCI is expected to remain volatile, with eyes on the next Parliament seating where Muhyiddin government could face a vote of no confidence. We expect the stock market and currency to face selling pressure. Brewers, gaming and contractors could be most vulnerable.

Also, it is unclear whether or not we could see the return of GST since it was proponent in the Barisan Nasional coalition before GE14 which could bring in RM40bn in government revenue, which would not be good for the man on the street but would provide some fiscal manoeuvring space. Effort to bring in FDI could be disrupted due to political & policy uncertainty. Although, the government should still aim to boost Malaysia as a centre to attract FDI. We suggest sticking to glove-makers which may see price movement from Covid-19.

DISCLAIMER:

Based on the fund's portfolio returns as at 11 February 2020, the Volatility Factor (VF) for this fund is 12.1 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 31 December 2019 which is calculated once every six months and is valid until its next calculation date, i.e. 30 June 2020.

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.