

RHB DYNAMIC FUND

This Fund aims to provide investors with regular income and capital gain at an acceptable level of risk by investing primarily in Malaysian public listed companies with steady and good growth potential.

INVESTOR PROFILE

This Fund is suitable for Investors who:

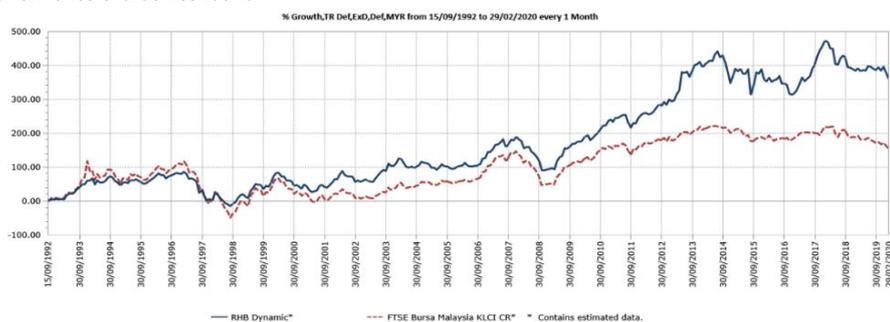
- want a professionally managed portfolio of shares and fixed income securities;
- have a medium to long term investment horizon of 3 to 5 years or more;
- want to achieve regular income and capital gain at an acceptable level of risk; and
- want to invest in shares but do not have the time to manage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

INVESTMENT STRATEGY

- Minimum of 50% 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 | -3.65 | -4.99 | -6.01 | -7.14 |
| Benchmark | -3.16 | -5.07 | -8.03 | -6.68 |

| | 1 Year | 3 Years | 5 Years | Since Launch |
|-----------|--------|---------|---------|--------------|
| Fund | -6.33 | 7.68 | -5.77 | 360.43 |
| Benchmark | -13.18 | -12.47 | -18.59 | 153.05 |

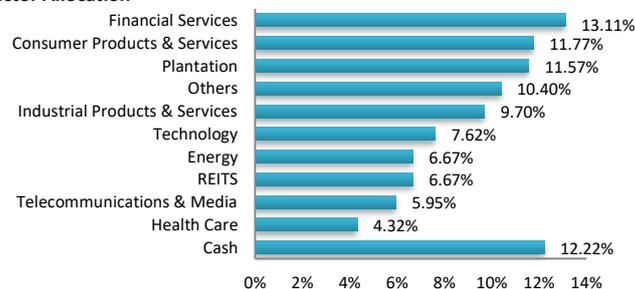
Calendar Year Performance (%)*

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|-----------|-------|--------|-------|--------|-------|
| Fund | 1.52 | -12.12 | 34.72 | -15.38 | 9.12 |
| Benchmark | -6.02 | -5.91 | 9.45 | -3.00 | -3.90 |

Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Top Holdings (%)*

| | |
|-------------------------|------|
| TENAGA NASIONAL BHD | 3.58 |
| DIALOG GROUP BHD | 3.57 |
| AXIATA GROUP BHD | 3.54 |
| PUBLIC BANK BHD | 3.43 |
| CIMB GROUP HOLDINGS BHD | 3.25 |

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

| | 1 Month | 12 Months | Since Launch |
|------|---------|-----------|--------------|
| High | 1.3059 | 1.3536 | 1.6084 |
| Low | 1.2303 | 1.2303 | 0.4374 |

Source: Lipper IM

Historical Distributions (Net)

| | Distribution (sen) | Yield (%) |
|----------|--------------------|-----------|
| Dec 2019 | - | - |
| Dec 2018 | - | - |
| Dec 2017 | - | - |
| Dec 2016 | - | - |
| Dec 2015 | - | - |

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 (“DM”) equities corrected 8.6% in February 2020 (year to date, 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 DMs in February 2020.

Domestically, 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. In a twist of events in Malaysia’s political arena, we saw a new Prime Minister sworn in on 1 March 2020, with the King’s blessing.

MARKET OUTLOOK AND STRATEGY

The FBMKLCI is expected to remain volatile in view of concerns over global growth slowdown, and domestic political developments. Monetary policies remains accommodative at this juncture, while the upcoming new policies by the new government will be closely watched as it will provide more clarity towards economic growth and flows of foreign direct investment.

In terms of strategy, the domestic equity market will continue to adjust to external developments especially on the novel corona virus outbreak, global trade tensions, U.S. interest rate movement and domestic political developments. However, with the gradual revival of earnings growth, together with undemanding equity valuation and subsiding foreign selling flows, the market will gradually perform. We will focus on stocks with good earnings growth potential and accumulating good quality stocks during weakness to benefit the fund in the longer term.

DISCLAIMER:

Based on the fund’s portfolio returns as at 11 February 2020, the Volatility Factor (VF) for this fund is 9.9 and is classified as “High”. (source: Lipper) “High” includes funds with VF that are above 8.8 but not 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.