FUND FACTSHEET – MAY 2020

All data expressed as at 30 April 2020
unless otherwise stated

RHB MARKET OPPORTUNITY FUND

The Fund aims to achieve medium to long term^ capital appreciation through investments in equities, equity related securities, fixed income instruments and/or Deposits / money market instruments.
Note: ^"medium to long term" in this context refers to a period of between 3 – 6 years.

INVESTMENT STRATEGY

- Up to 100% of NAV - Investments in equities, equity related securities and fixed income instruments.
- The balance of the NAV will be invested in liquid assets including money market instruments, Deposits and collective investment schemes investing in money market instruments and Deposits.

INVESTOR PROFILE

This Fund is suitable for:
- 'Sophisticated Investor(s)' as defined in the Information Memorandum.

FUND PERFORMANCE ANALYSIS

There is no performance record as the Fund launched less than 1 year.

FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.	
External Investment Manager	RHB Asset Management Pte Ltd, Singapore	
Trustee	CIMB Commerce Trustee Bhd	
Fund Category	Mixed asset (close-ended)	
Fund Type	Growth Fund	
Launch Date	23 August 2019	
Base Currency	RM	
Unit NAV	RM0.9891	
Fund Size (million)	RM27.14	
Units In Circulation (million)	27.23	
Financial Year End	31 October	
MER	Not available	
Min. Initial Investment (OP)	RM50,000.00	
Min. Addt'l Investment (OP)	RM10,000.00	
Benchmark	MSCI All Country Asia ex Japan Index.	
Sales Charge	Up to 4.00% of investment amount*	
Redemption Charge	< 3 years	2.5%*
	≥ 3 years	Nil
	Maturity	Nil
Annual Management Fee	1.80% p.a. of NAV*	
Annual Trustee Fee	0.03% p.a. of NAV*	
Switching Fee	Not applicable	
Distribution Policy	Incidental	

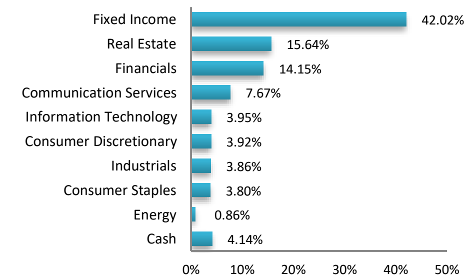
**All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.*

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.

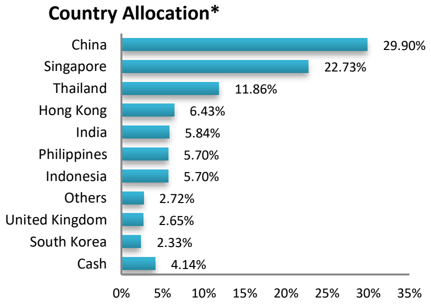
OP refers to Offer Period.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

PERUSAHAAN LISTRIK NEGARA 4.125 (15/05/2027)	3.19
VANKE REAL ESTATE HK 3.15% (12/05/2025)	3.19
CHINA RESOURCES LAND LTD 3.75% PERPETUAL	3.15
NTPC LTD 4.25% (26/02/2026)	3.14
CCCI TREASURE LTD 3.65% PERPETUAL	3.12

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.9891	N/A	1.0165
Low	0.9498	N/A	0.9498

Source: Lipper IM

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RHB Asset Management Sdn Bhd (174588-X)

RHB Asset Management

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MANAGER'S COMMENTS

MARKET REVIEW

The financial market has welcomed the stimulus as the global market rose 10.6% in April, bringing the year to date loss to 13.5%. All sectors registered a gain in April, with cyclical sectors such as energy (+15.7%), consumer discretionary (+15.5%) and materials (+15.1%) outperforming. On the other side, utilities (+3.7%), consumer staples (+5.7%) and financials (+6.8%) underperformed. Within regions, United States (+13.0%) outperformed global peers. Asia ex Japan (+8.9%), Europe (+5.8%), Japan (+5.4%) and UK (+5.3%) underperformed.

The lockdown measures continue to show results as the COVID-19 curve continues to flatten. At the time of writing, total confirmed cases reached 3.4 million - an increase from 2.99 million the prior week. Out of the total confirmed cases, around 61.1% still remain infected, while 31.9% have recovered, leaving the virus with a fatality rate of around 7.0%. The stages of recovery differ across the world as shown in the table above. We will look forward for the decline in the number of new cases turns, increase in the number of recoveries as well as potential medical response (from treatment care (antiviral) to preventive care (vaccines) while cautious any possible 'second wave'. Indeed, many factors could affect the numbers.

Indeed, narrative in the news has shifted from the crisis to recovery. Parts of US states, Europe as well as Asia have started removing mobility restrictions after experiencing slower growth in cases. Mirroring China's process, reopening of economies are anticipated in phases. Analysis of China data shows that it takes longer for the consumer to return to normalcy (get back to play) than for manufacturing to recover ("get back to work"). A major constraint to "back to work" is the high percentage of children affected by school closures. According to UNESCO, as of May 1, there are 1.29 billion or 73.8% of total learners in 186 countries still facing school closures. While a lion's share of students is subjected to national or regional shutdowns complicated parents "back to work" plan, it is an improvement from 1.6 billion or 91.4% in 195 counties on April 1. In gauging a return to play, flight activity between major cities in the greater China area are starting to pick up. The impact of COVID on the Chinese aviation reached a peak in the week starting February 17, with flight numbers down by 70.8% and it is still down by 39.2% in the week starting April 27.

Major central banks across the world continue to assure the market of their commitment. Last week, the BOJ abandoned its QE limits in favor or buying "whatever is needed". The Federal Reserve's kept policy steady across the board; its focus on medium-term risks was taken as dovish. During the week, the Fed announced an expansion of its Municipal Liquidity Facility (MLF) and expanded the scope and eligibility of its so-called Main Street Loan Program. The ECB meeting produced no real surprises. ECB lowered the rate on its targeted refinancing operations (TLTROs) by 25 basis points and launching a new series of pandemic lending operations (PELTROs). But ECB officials put little emphasis on sovereign stress, leaving the pandemic QE programme (PEPP) unchanged and signalling a high hurdle for activating Outright Monetary Transactions (OMT).

On the back of all the stimulus announced globally and the improvement in risk sentiments, Asian USD bonds also recovered some of the losses suffered in the prior month. In April, Asian investment grade bonds generated a return of 1.05%. Liquidity in the secondary market and primary market also started to improve with a few investment grade issuers like AIA, Baidu and Indonesia sovereign etc successfully tapping the market for new money.

MARKET OUTLOOK & STRATEGY

In April, we did not do any bond trades as we are comfortable with the credit qualities of our bond holdings. Will continue to look for opportunities to re-allocate the bond holdings into equities.

In the equities space, we took the opportunity and added to quality blue-chip names in the month of April. In particular, we added to specific a Chinese food delivery company with dominant leadership position in the space as it remains a key beneficiary of the outbreak. As the Chinese government opens up the economy in phases and ease inter-city travel restrictions, the company's travel-related business would incrementally recover as well. We also added to several quality names in Singapore, mainly in the telecommunications and Reits sectors. The former posed attractive valuations and dividend yield play, while the latter rides on the expectation of consumption recovery, particularly in the retail segment, as the Covid-19 situation in Singapore improves. These Reits are currently trading at an attractive valuations and where most of the weaknesses have been priced in. As such, we turned incrementally positive as we look ahead post the Circuit Breaker period.

Global economic recovery remains uncertain. The IMF updated their GDP growth projections where Advanced Economies is estimated to contract by -6.1% in 2020, while Emerging Markets will only contract by -1%. Within Advanced Economies, United States fare better at -5.9% while within Emerging Markets, Emerging Asia fared better at 1.0%. While the Chinese workforce are coming back online in China and economic activity picking up, the same cannot be said for the rest of the world. But nonetheless, mirroring China's process, reopening of economies are anticipated in phases. In that, we will continue to monitor our in-house RHB indicators very closely and incrementally invest into good quality Asia ex-Japan blue-chip stocks.