

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:

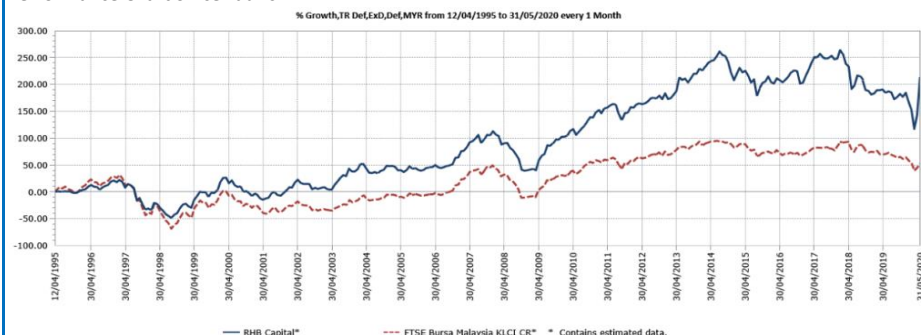
- want a professionally managed portfolio of shares and fixed income securities;
- have a medium to long term investment horizon of 3 to 5 years or more;
- want to achieve regular income and capital gain at an acceptable level of risk; and
- want to invest in shares but do not have the time to manage 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 | 29.01 | 23.83 | 13.19 | 10.31 |
| Benchmark | 4.65 | -0.63 | -5.67 | -7.27 |

| | 1 Year | 3 Years | 5 Years | Since Launch |
|-------------|--------------|---------------|--------------|---------------|
| Fund | 10.29 | -10.60 | -0.95 | 213.59 |
| Benchmark | -10.75 | -16.57 | -15.69 | 52.51 |

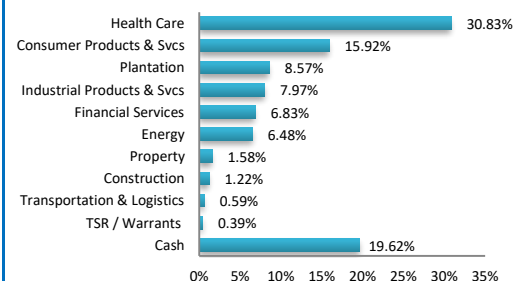
Calendar Year Performance (%)*

| | 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 (%)*

| | |
|--------------------------|------|
| SUPERMAX CORP BHD | 9.76 |
| TOP GLOVE CORP BHD | 9.15 |
| KOSSAN RUBBER INDUSTRIES | 7.32 |
| DIALOG GROUP BHD | 6.48 |
| MALAYAN BANKING BHD | 5.71 |

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

| | 1 Month | 12 Months | Since Launch |
|------|---------|-----------|--------------|
| High | 0.9687 | 0.9687 | 1.5245 |
| Low | 0.7462 | 0.6021 | 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

Surprisingly, global equity market continued to march higher after a strong rebound in the month of April 2020. Global equities kept up the momentum in May 2020, rising 4.2% during the month of May 2020 (YTD: -9.9%), assisted by extremely accommodative fiscal and monetary policy, and gradual easing of lockdown measures, especially in Europe. Developed markets led the rally with US advancing +5.0%, Europe +4.2% and Japan +5.9%. Commodities bounced back led by energy prices (Brent: +39.8%). Asia ex-Japan was the only region to buck the uptrend in May 2020, falling 1.4% during the month (YTD: -12.6%), dragged down by Greater China (China: -0.8%, Hong Kong: -8.9%, Taiwan: -2.5%) and India (-2.9%). China relations with the West, especially the US, took a turn for the worse with the aggravation of the ADR de-listing risk, the proposal of the new national security law for Hong Kong that put its special status into jeopardy, and the potential imposition of compensatory tariffs on China by the US for the COVID-19 losses. ASEAN was buoyed by Thailand up 4.3% and Malaysia up 4.7%.

FBM KLCI rallied for the second consecutive month gaining +4.7% MoM (April +4.21% MoM). The main highlight or stars of the market was certainly the gloves sector which saw share prices increased substantially with high trading volume as investors expect surged in earnings over the next few quarters. Meanwhile, oil prices continues to recover with more & more countries easing their lockdown measures (Malaysia included) and boosting fuel demand. Overall, Brent Crude was up close to 40% MoM and OPEC+ counterparts are also considering bringing forward their meeting to 4 June this week from 9-10 June, while some members are suggesting an extension of the 9.7mbpd cut beyond June 2020. CPO prices also recovered to RM2,373/mt (+12.9% MoM), as leading Indian importers started to purchase Malaysia CPO again after months of a diplomatic spat between the countries in early January 2020.

On the monetary front, Bank Negara Malaysia (BNM) has cut its OPR by 50 bps to 2%, a level last seen during the 2008-09 global financial crisis. In a statement issued after its Monetary Policy Committee meeting, BNM said the ceiling and floor rates for the OPR have been reduced to 2.25% and 1.75% respectively.

MARKET OUTLOOK AND STRATEGY

The lock down and social distancing that would disrupt supply and demand will have an impact on company's revenues. We believe that the equity market has not factored in more cuts in corporate earnings and the indirect impact from MCO. In our opinion, the index has not factored in the factors that we mentioned above if the economy does not recover from 3rd Quarter of 2020 and into 2021. We believe we could see more corporate casualties as company's profitability, cash flow, capital expenditure spending will be affected badly as their revenues are not growing. The uncertainties in the speed of recovery of the economy will likely see the index consolidating for a while and the process of bottoming in this bear market will last longer. It is unlikely that a definite equity market bottom has been established so quickly. Furthermore, the index is also not reflecting recession valuation as of now. In the short term, we expect equity market to be volatile and range bound as the market is adjusting for the new norm in the economy. In terms of strategy, we will keep holding cash higher than normal market condition.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 May 2020, the Volatility Factor (VF) for this fund is 15.9 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are more than 14.9 (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. This update does not amount to indicate that the SC has recommended or endorsed the Fund. 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.

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