

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:

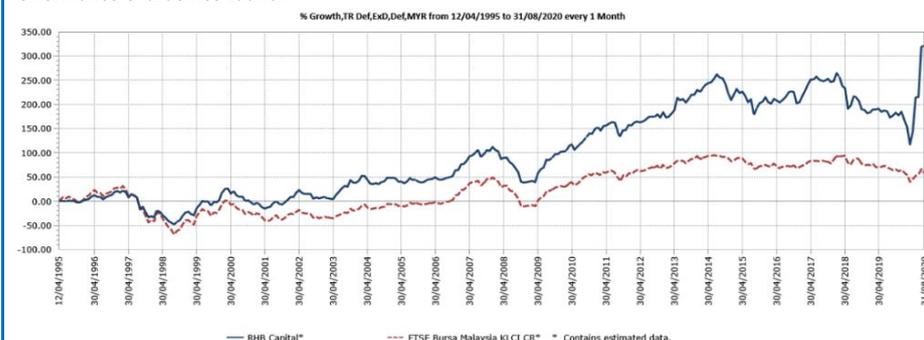
- want a professionally managed portfolio of shares and fixed income securities;
- have a medium to long term investment horizon of 3 to 5 years or more;
- want to achieve regular income and capital gain at an acceptable level of risk; and
- want to invest in shares but do not have the time to manage 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	0.22	34.13	66.09	47.95
Benchmark	-4.90	3.53	2.87	-4.00

	1 Year	3 Years	5 Years	Since Launch
Fund	54.33	20.87	50.86	320.61
Benchmark	-5.39	-13.98	-5.43	57.89

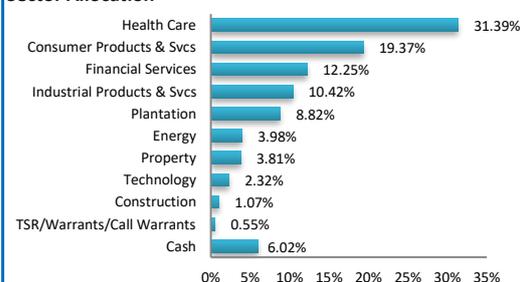
Calendar Year Performance (%)*

	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 (%)*

HARTEALEGA HOLDINGS BHD	8.37
TOP GLOVE CORP BHD	8.19
KOSSAN RUBBER INDUSTRIES	7.47
SUPERMAX CORP BHD	7.36
GUAN CHONG BHD	6.18

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.3734	1.3734	1.5245
Low	1.2100	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

MSCI Asia Ex Japan rallied 3.6% in August 2020, but underperformed World Equity Index which rose 6.0%. Asian equities rallied amidst declining dollar, progress on vaccine development and relaxed stance on US inflation targeting. Broad-based firming in macro data suggests a demand recovery associated with re-opening in the major economies. US-China tensions broadly remained mixed with commitment towards Phase I deal was a positive, while sanctions on Huawei, export controls and the South China dispute were clear negatives. The commitment of Federal Reserve Chair J. Powell to effectively maintain the fed funds rate at zero over an extended period of time resulted in a weaker US dollar (-1.3%). China equity market was up 5.6% as the economic recovery gathered pace across the manufacturing as well as services industries in the largest economy of the region. Hong Kong (7.6%) sprung back into life, buoyed by the rejuvenation of the gaming industry (15.2%) in Macau as well as a sharp rise in index heavyweight AIA Group Ltd (13.9%).

Oil prices continued to move higher. WTI crude and Brent posted their fourth monthly gain, up by 5.8% and 3.7% respectively. Pick-up in oil demand was driven by an expected recovery as economic activity normalizes underpinned by oil prices. On the supply side, OPEC+ complied with production cuts. Weakness in dollar also supported oil prices. The S&P Industrial Metals index was up 5.5% over the month, as global economies continue to see pick-up in activity post easing lockdowns. Base metal prices surged on stronger than expected demand rebound in China. Gold prices traded sideways (closed at \$1968/oz) and lost steam on hopes of COVID-19 vaccine and signs of economic recovery.

Over in Malaysia, August 2020 turned out to be a dreadful month for Malaysia equity market. Malaysia is one of the worst performing market for month of August 2020 dragged down by poor earnings particularly banking sector. Except for gloves, insurance, technology and plantations, all other sectors saw a sharp contraction in 2Q20 earnings due to the lockdown. FBM KLCI 100 declined by 78 points during the month of August 2020 to close at 1525.21 points. Apart from poor corporate earnings season, the index was dragged down by declined in glove companies' share price as vaccine discovery continue to steal the limelight.

Malaysia's 2Q 2020 GDP contracted 17.1% YoY, falling short of consensus median estimate of -9%. Most sectors suffered a sharp decline, namely services (-16.2% YoY), manufacturing (-18.3%), mining (-20%), construction (-44.5%). Only agriculture sector grew YoY in 2Q20 by 1%. Domestic demand, which accounts for 94% of GDP, was weaker by 18.7% YoY in 2Q 2020 while net exports was sharply lower by 38.6% YoY. 2Q 2020 GDP was hit by the lockdown imposed under the MCO (movement control order) that started on 18 March 2020 and partially relaxed from 4 May to 9 June followed by an almost full relaxation from 10 June to 31 August.

MARKET OUTLOOK AND STRATEGY

After the 17.1% contraction of gross domestic product (GDP) in 2Q20, Malaysia's economy may have bottomed out with the recovery of business activities. However, it is still too early to tell if it is a sustained rebound. We are seeing lower unemployment rate and positive export growth in tandem with the easing of the nationwide lockdown. In addition, market liquidity remained elevated in July 2020 as M1 money supply grew by an astounding 15.7% YoY, its highest since 2011. This also marked three consecutive months of double-digit growth in liquidity which explains the buoyant market sentiment with retail participation exceeding 30%, resulting in record market trading volume and value. Malaysia's June 2020 unemployment rate declined month-on-month to 4.9% from a record-high of 5.3% in May 2020 as more sectors, including the services industry, reopened due to the implementation of the nation's recovery movement control order (RMCO) to revive the country's economy while curbing the COVID-19 pandemic. Earnings risks remain elevated, underscoring our preference for growth stocks and exporters over recovery beta.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 August 2020, the Volatility Factor (VF) for this fund is 30.3 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are more than 15.4 (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 2020 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 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 contents of the PHS and Master Prospectus dated 15 July 2017 and its supplementary(ies) (if any) ("collectively known as the Master Prospectus") before investing. The Master Prospectus has been registered with the Securities Commission Malaysia ("SC") who takes no responsibility for its contents. The SC's approval or authorization, or the registration of the Prospectus should not be taken to indicate that the SC has recommended 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. If in any doubt, consult your banker, lawyer, stockbroker or an independent financial adviser.

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 Fund 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.

This Fund Factsheet has not been reviewed by the SC.

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