

### RHB MARKET OPPORTUNITY FUND

The Fund aims to achieve medium to long term<sup>^</sup> capital appreciation through investments in equities, equity related securities, fixed income instruments and/or Deposits / money market instruments.

Note: <sup>^</sup>“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

<b>Manager</b>	RHB Asset Management Sdn. Bhd.
<b>External Investment Manager</b>	RHB Asset Management Pte Ltd, Singapore
<b>Trustee</b>	CIMB Commerce Trustee Bhd
<b>Fund Category</b>	Mixed asset (close-ended)
<b>Fund Type</b>	Growth Fund
<b>Launch Date</b>	23 August 2019
<b>Base Currency</b>	RM
<b>Unit NAV</b>	RM1.0659
<b>Fund Size (million)</b>	RM28.87
<b>Units In Circulation (million)</b>	27.08
<b>Financial Year End</b>	31 October
<b>MER</b>	Not available
<b>Min. Initial Investment (OP)</b>	RM50,000.00
<b>Min. Addtl Investment (OP)</b>	RM10,000.00
<b>Benchmark</b>	MSCI All Country Asia ex Japan Index.
<b>Sales Charge</b>	Up to 4.00% of investment amount*
<b>Redemption Charge</b>	< 3 years 2.5%* ≥ 3 years Nil Maturity Nil
<b>Annual Management Fee</b>	1.80% p.a. of NAV*
<b>Annual Trustee Fee</b>	0.03% p.a. of NAV*
<b>Switching Fee</b>	Not applicable
<b>Distribution Policy</b>	Incidental

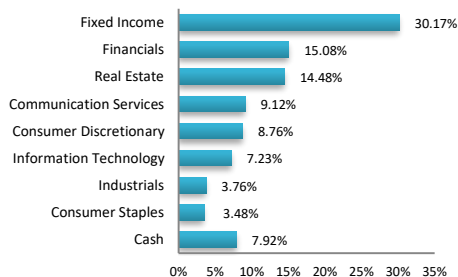
\*All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.

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.

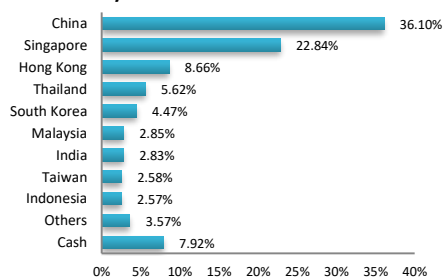
OP refers to Offer Period.

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



##### Top Holdings (%)\*

MEITUAN DIANPING	3.63
OVERSEA-CHINESE BANKING 1.832 (10/09/2030)	3.60
JD.COM INC 3.375 (14/01/2030)	3.14
COUNTRY GARDEN HLDGS COGARD 5.125 (14/01/2027)	3.09
VANKE REAL ESTATE HK VNKRL 3.15 (12/05/2025)	3.04

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.0990	N/A	1.0990
Low	1.0659	N/A	0.9498

Source: Lipper IM

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**MANAGER'S COMMENTS**
**MARKET REVIEW**

Global equity markets retreated for the month of September, weighed down by building risk factors across the globe. These include rising cases in Europe, a spike in hospitalizations in Spain, new lockdown rules in UK and France, weaker PMIs across the globe, as well as US political uncertainty. The global equity markets fell by 3.4% in September, bringing the year to date return flat. No sector registered a positive return. Industrials (-0.9%), utilities (-1.1%) and materials fell the least in the month of September. Energy was the worst performing sector, as it fell -12.4% in the month. Within regions, Japan (+0.3%) registered positive return in USD terms. US (-3.9%), Europe (-3.5%), UK (-5.1%) and Asia ex Japan (-1.7%) positive negative return in USD terms.

US politics is coming in to focus as the election draws near, with current poll seeing support for Biden (Figure 2-4). The death of Supreme Court Justice Ginsburg has introduced a huge element of uncertainty and volatility into the situation. The most direct impact is likely to be further delays in the stimulus package, as markets believe that it is unlikely for a deal to come before the election, as the Republican-led Senate's focus is to push through a replacement for Justice Ginsburg. The US Senate passed a bipartisan spending bill that will keep the government funded through December 11, averting a much-dreaded shutdown. The House of Representatives already passed the stopgap measure by a 359-57 vote. Separately, President Trump's latest comments on the legitimacy of mail-in voting are not new, but reinforces concerns about possible unrest after elections, with VIX futures remain elevated into December.

The FOMC delivered no surprise (0.0-0.25%; USD 80 billion per month) and the overall message remain dovish. The FOMC committee gave its first forward guidance by the new principles agreed to at the end of its recent framework review (flexible average inflation targeting). Under this new framework, the Fed will have much more discretion to allow higher inflation and tighter labor markets, with an underlying message of lower for longer rates. The BOJ adopted an inflation-overshoot strategy back in 2016. According to the updated Summary of Economic Projections as the FOMC rolls forward the end of its forecast horizon by one year to 2023, rates remain low at least until 2023.

China left its Loan Prime Rates (LPR) unchanged, as markets expected. The 1-year rate remains at 3.85% and the 5-year at 4.65%. They are likely to remain for some time with the domestic economy still recovering at a good pace. A fallout in external demand might be the key variable that could prompt further action. The main risks to external demand are probably further economic restrictions from government reactions to a second virus wave, and a potential escalation of the US-China trading conflict. Separately, FTSE Russell said it would include China in its flagship World Government Bond Index (WGBI) from October 2021, with a 12-month staggered inclusion process. CGB is expected to eventually constitute 5.7% of the benchmark. As of now, all three major Global Bond Indices have announced their China inclusion, with Bloomberg-Barclays Global Aggregate Index and JP Morgan GBI-EM's phase-in last till November this year. Malaysia continues to be included in the FTSE World Government Bond Index (WGBI), but will remain on the FTSE Russell Fixed Income Watch List for a potential downgrade. "This follows recent initiatives by Bank Negara Malaysia (BNM) to improve secondary market liquidity and to facilitate foreign exchange (FX) transactions", according to FTSE statement.

During the month, US Treasuries traded in a tight range and ended the month relatively unchanged. Asian USD bonds were weaker as credit spreads widened on the back of weak risk sentiment. Investment grade Asian USD bonds outperformed high yield Asian with return of -0.06% versus -1.86% respectively.

**MARKET OUTLOOK & STRATEGY**

During the month, we did a switch trade between subordinated debts issued by a Thai bank and a Singapore bank. This is to take profit on the Thai bank subordinated debt exposure and to move up the credit curve to a Singapore bank. We also took profit on our exposure to a Philippines bank to raise cash in anticipation of opportunities.

In the equities space, no trades were made during the month. In terms of attribution, value-add was unable to offset the value detractors for the month of September. Markets were generally weak during the period on the sell-off momentum. The ASEAN markets were the key detractors and our position in real estates, financials, and industrials contributed to the value detractors. The Chinese market was not spared as well where financials, consumers, and internet names were sold off, leading to the underperformance. On a positive note, robust value-add came from our overweight positions in technology names in South Korea and Taiwan, as share prices continue to do well for beneficiaries of the 5G technology and chips supply-chain where outlook and pipeline remains strong.

Overall, we remain positive on Asia ex-Japan on prospects of growth uptick and within which, we favour China. The speed and effectiveness at which China was able to deal with recent virus relapses while avoiding wide-scale shutdowns mitigates a downside risk that concerned us previously. Although we still anticipate clusters to occur going forward, China has acquired enough capacity to conduct mass testing relatively quickly. Such capacity allows it to identify and quarantine the transmission chains to prevent even larger outbreaks. Amid "First in First out", China is at the forefront of restarting the economy and more policy space to revive activity, but we will remain cautious amid the ongoing US-China tensions. Our course of actions for the portfolio will be directed by our in-house RHB indicators, which we monitor very closely. Hence, investment activities would be more strategic and during opportune time.

**DISCLAIMER:**

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 Information Memorandum dated 23 August 2019 and its supplementary(ies) (if any) ("collectively known as the Information Memorandum") before investing. The Information Memorandum 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 Information Memorandum 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 Information Memorandum relates will only be made on receipt of a form of application referred to in the Information Memorandum. The Fund are only offered to "sophisticated investors" as defined in the Information Memorandum. For more details, please call 1-800-88-3175 for a copy of the PHS and the Information Memorandum 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 country risk, currency risk, concentration risk, market risk, interest rate risk, credit and default risk, Equity related securities risk, derivatives risk. These risks and other general risks are elaborated in the Information Memorandum.

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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