

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:

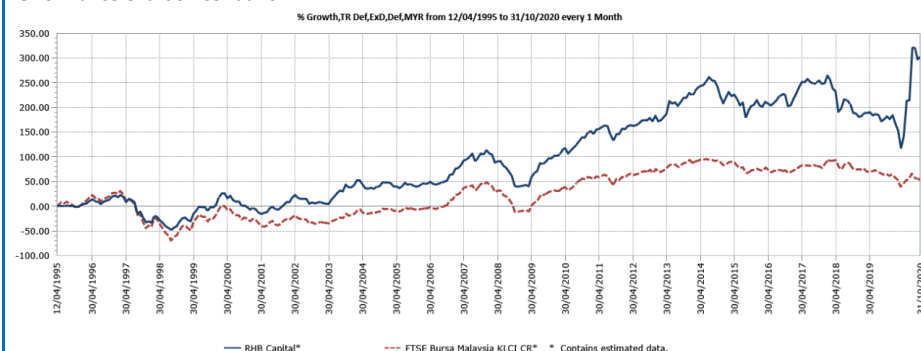
- want a professionally managed portfolio of shares and fixed income securities;
- have a medium to long term investment horizon of 3 to 5 years or more;
- want to achieve regular income and capital gain at an acceptable level of risk; and
- want to invest in shares but do not have the time to manage 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	1.36	-4.20	65.39	41.41
Benchmark	-2.52	-8.53	4.20	-7.67

	1 Year	3 Years	5 Years	Since Launch
Fund	42.40	13.79	33.02	302.03
Benchmark	-8.20	-16.08	-11.94	51.85

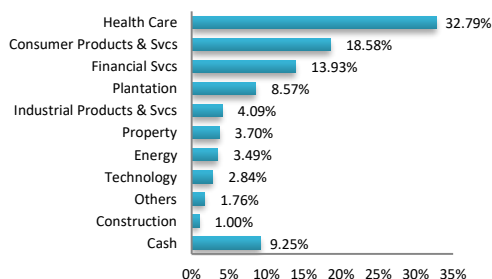
Calendar Year Performance (%)*

	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	8.75
TOP GLOVE CORP BHD	8.28
KOSSAN RUBBER INDUSTRIES	7.94
HARTALEGA HOLDINGS BHD	7.46
MALAYAN BANKING BHD	6.41

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.3431	1.3734	1.5245
Low	1.2183	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

World equity markets started off strongly in the month of October 2020 on the back of continued improvement in economic data. However, the resurgence of new COVID-19 cases particularly in US and Europe resulted most equity markets ended the month on the red. So far, the second wave of COVID-19 has been more pronounced in Europe and the US, forcing some countries to re-enact partial to complete shutdowns in select regions. The spurt in new cases cast doubts over the growth momentum in the near term. For the month, US declining 2.7%, Europe 5.7%, Japan 1.6%. Asia ex-Japan (+2.8% in October 2020, YTD: 6.4%) was the stand-out performer in October 2020 as it was the only region in the world to register an advance. China (5.3%) rode on rising investor optimism, as it unveiled the 14th Five Year Plan to set out on becoming an advanced socialist country with leading global influence by 2049. ASEAN advanced 0.4% after two consecutive down months, driven by Indonesia (8.6%) and the Philippines (7.9%), while political uncertainties weighed on Thai stocks (-2.3%).

October 2020 wasn't really a good month for Malaysia. In October 2020, FBM KLCI retraced -2.52% MoM to 1,467 points. Top gainers were Harta (+11.26%), Press Metal (+6.81%), PChem (+4.8%) and Top Glove (+4.20%), while laggards were Pet Dag (-12.66%), Misc (-12.13%), Tenaga (-9.14%) and RHB Bank (-7.44%). Foreigners net sold RM669mn worth of equities last month bringing YTD (October 2020) net outflow to RM22.97bn. Retailers were again the biggest net buyers in October 2020 but at a slower pace (RM456mn versus September 2020: RM1.44bn), while remaining as active participants of the market, accounting for 39.9% of trades (September: 38.2%), suggesting the impact of loan moratorium ending is not as bad as initially feared. Moving on to sector performance, despite a late sell-down on the final trading week of the October 2020, the tech and healthcare sectors remain the top performers.

While it wasn't the weakest monthly performance this year (March: -8.9% MoM), it was certainly the worst month for COVID-19 infections with a total of 19,629 new cases reported in the month alone. The number of cases reported in October 2020 was also significantly higher than the total numbers reported between January to September at 11,919 cases. Hence it was no surprise that Kuala Lumpur, Putrajaya, Selangor and Sabah went back into CMCO. Politics also took the limelight in October 2020 when there was news that Prime Minister Muhyiddin Yassin had proposed to the King (YDPA) to call for a state of emergency for the country which was later declined by the King. There was also Anwar Ibrahim who claimed that he has majority of support of MPs to form the government (but he did not reveal who).

Meanwhile, Brent crude oil declined -8.5% in October 2020 due to continued demand concerns while CPO futures traded higher to RM3,252, +14.5% MoM on the back of potential decline in production due to shortage of workers in the sector.

MARKET OUTLOOK AND STRATEGY

The resurgence of COVID-19 infections has resulted in lockdown measures of varying degrees being imposed which has raised concerns of a slower-than-expected global economic recovery. This implies that the prevailing coordinated efforts by governments to stimulate economies via both fiscal and monetary policies will stay for a prolonged period. Therefore, the flush of liquidity will continue to be positive for the equity market, while economic recovery slowly makes its way back to normalcy.

With the volatility risk in both our domestic market as well as regional/global markets, we continue to favor exporters namely in gloves and tech. Normalisation post a vaccine would likely further support GDP and top-line recovery.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 October 2020, the Volatility Factor (VF) for this fund is 30.5 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 Master 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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