

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.

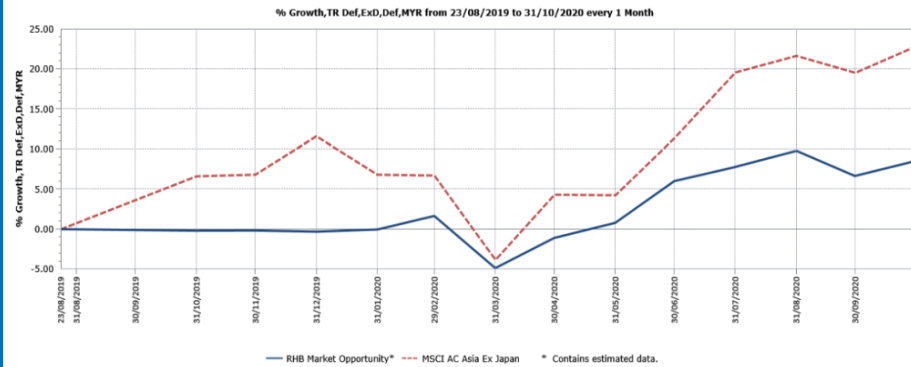
INVESTOR PROFILE

This Fund is suitable for:

- ‘Sophisticated Investor(s)’ as defined in the Information Memorandum.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

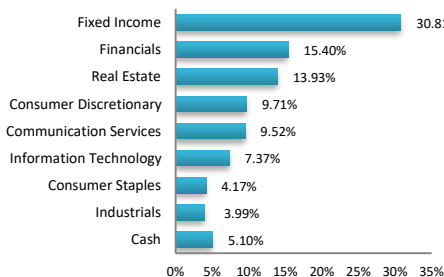
	1 Month	3 Months	6 Months	YTD
Fund	1.76	0.66	9.67	8.81
Benchmark	2.78	2.74	17.73	10.06

	1 Year	Since Launch
Fund	8.68	8.47
Benchmark	15.20	22.82

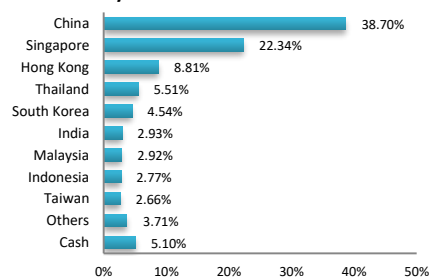
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

MEITUAN DIANPING	4.42
OVERSEA-CHINESE BANKING 1.832 (10/09/2030)	3.68
JD.COM INC 3.375 (14/01/2030)	3.20
COUNTRY GARDEN HLDGS COGARD 5.125 (14/01/2027)	3.18
VANKE REAL ESTATE HK VNKRL 3.15 (12/05/2025)	3.10

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.1002	1.1002	1.1002
Low	1.0659	0.9498	0.9498

Source: Lipper IM

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	RM1.0847
Fund Size (million)	RM28.25
Units In Circulation (million)	26.49
Financial Year End	31 October
MER	Not available
Min. Initial Investment (OP)	RM50,000.00
Min. Addtl 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.

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MANAGER'S COMMENTS

MARKET REVIEW

With concerns of rising cases and rising mobility restrictions, the global equity markets fell by 2.5% in October, bringing the year to date return to negative 2.5%. Communication services (+1.8%) and utilities (+1.7%) sectors registered positive return. Energy was the worst performing sector as it fell -5.9% in the month of October. Within regions, Asia ex Japan (+2.8%) registered positive return in USD terms. US (-2.7%), Europe (-5.9%), UK (-5.2%) and Japan (-1.6%) positive negative return in USD terms.

Increasing virus numbers have pushed European governments to once again start imposing national measures. Until 1 December, people in France will only be allowed to leave their homes to buy essential goods, for medical reasons and to exercise for an hour a day. Unlike the first lockdown, however, schools and nurseries will remain open. Restrictions elsewhere remain targeted, but the direction of travel on restrictions is rapidly headed towards additional tightening. In Germany, Merkel's government will impose a partial lockdown starting 2 November, which will last for four weeks. Bars and pubs will close, while restaurants will remain open for takeaways only. Spain imposed a national curfew (11 PM-6 AM) since 25 October, while Italy shut down several services and limited operating hours for bars and restaurants for a month since 26 October. Prime Minister see England into a second lockdown on November 2, making the country the latest in Europe to impose new national restrictions.

While the measures are for now are less restrictive than the first wave, violent protests broke out in reaction to the new restrictions. Italy had violent clashes between demonstrators and police in Rome, Milan, and Turin. In Spain, the far-left and pro-independence party CUP organized protests in Barcelona, which followed earlier protests from the service sector. The UK has also seen intensifying protests, with several arrests in London and demonstrations in many other cities.

In the US, hospitalizations have risen at least 10% over the past week. However, this time it's different – the hospitalization trend is flatter than both the initial and summer outbreak. Fiscal stimulus will have to wait until after the election. On the election front, the odds for Biden victory are increasing again. Biden plus a Democratic Senate would most likely lead to a more aggressive stimulus. Fed Chair Powell (among others) has been steadfast in his message that there cannot be a sustainable economic recovery until the virus is controlled.

On the positive side, the AstraZenica-University of Oxford vaccine has reportedly shown promising results in treatment for the elderly, but we need to wait for the phase 3 trials to get a more conclusive picture about its safety metrics. Separately, J&J's vaccine could be available for emergency use by January, assuming no surprise in the results from its latest trial, expected later this year.

The Chinese Communist Party (CCP) held the Fifth Plenum of the 19th Party Congress on October 26-29 to discuss the proposals for the 14th Five-Year Plan that runs from 2021 through 2025. The Fifth Plenum of the 19th Party Congress's key summary reiterated direction towards Quality Growth, and laid out non-numerical goals over long term (GDP per capita reaching level of mid income developed economies and expansion in mid income population), with a focus on innovation and market reform. Over next few months, NDRC will prepare more detailed draft of the 14th Five Year Plan to be submitted for final approval during the “Two Sessions” in March 2021.

In October, Asia USD investment grade bond market was relatively unchanged at +0.02%. The weakness in the US Treasuries was offset by the positive contributions from credit spreads tightening. Both the 10-year and 30-year US Treasuries were up by about 20 basis points during the month as market was pricing in a ‘blue wave’ scenario in the 3Nov20 US presidential election.

MARKET OUTLOOK & STRATEGY

During the month, we took profit in one of the Chinese SOE bond in the portfolio and switched into another new bond issued by another Chinese SOE.

In the equities space, we added to a Singapore-based agribusiness companies as we believe the company would be able to gradually unlock value from its subsidiary. Further, related commodity prices have also been increasing over lower supply output amid reasons like severe weather and increased replanting. This bodes well for the company and outlook remains robust for the agribusiness. In terms of attribution, key detractors mainly stemmed from our position in Singapore where we saw the REITs sector deteriorated during the month due to profit taking and equity raising which dilutes the shares. Nonetheless, we believe that the REITs will continue to do well in a low yield environment and plays on the recovery story. The weakness was partially offset by the outperformance in the Chinese space, particularly consumer discretionary and communication services, as well as from Philippines and Indonesia.

Results for the US presidential election and data on Phase 3 Covid vaccine trials are coming soon. 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 the virus while avoiding wide-scale shutdowns mitigate downside risk that concerned the market. While manufacturing PMI was largely flat, services PMI accelerated in October amid Golden Week spending. China is at the forefront of restarting the economy, controlling the spread and more policy space to revive activity. We will remain cautious on the ongoing US-China tensions. Overall, we prefer stocks that have a healthy balance sheet, visible earnings growth and valuations support. 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.