

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.

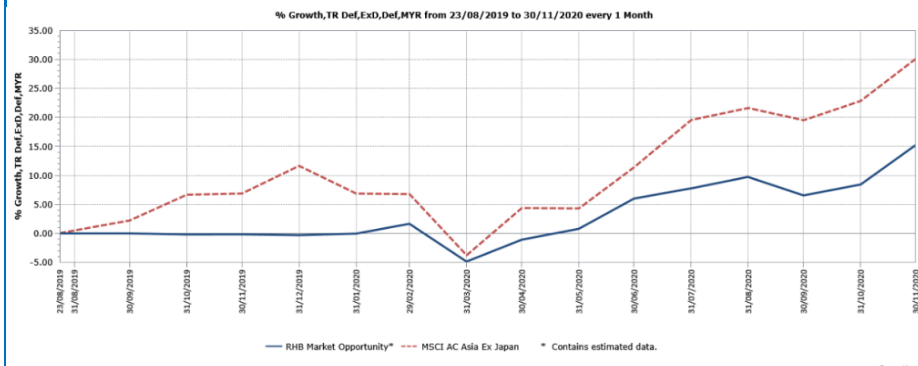
INVESTOR PROFILE

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	6.29	5.05	14.39	15.65
Benchmark	5.93	6.98	24.80	16.59

	1 Year	Since Launch
Fund	15.49	15.29
Benchmark	21.79	30.10

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	RM1.1529
Fund Size (million)	RM29.50
Units In Circulation (million)	25.96
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

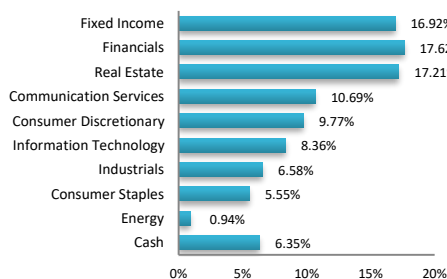
*All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.

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.

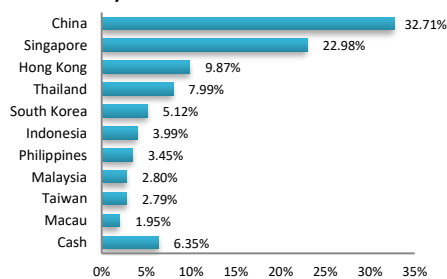
OP refers to Offer Period.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

MEITUAN DIANPING	4.18
SAMSUNG ELECTRONICS CO LTD	3.26
JD.COM INC 3.375 (14/01/2030)	3.04
BANGKOK BANK PCL/HK 3.733 (25/09/2034)	2.83
AIA GROUP LTD	2.81

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.1529	1.1529	1.1529
Low	1.0847	0.9498	0.9498

Source: Lipper IM

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MANAGER'S COMMENTS
MARKET REVIEW

Major bourses, boosted by positive narratives, recorded strong gains in the month of November. These include heightened vaccines optimism, relatively good US macro data (strong PMI), optimism over the Donald Trump–Joe Biden transition and Janet Yellen's nomination to become the next US treasury secretary. The global equity markets gained 12.2% in November, bringing the year to date return to 9.4%. Energy was the best performing sector, gaining 25.4% in just a month. However, the sector still underperforming year to date with a -34.3% decline. Within regions, Asia ex-Japan (+8.0%) underperformed, while the US (+11.4%), Europe (+17.1%), UK (+16.4%) and Japan (+12.5%) outperformed.

Vaccine results from AstraZeneca and Oxford University brought another wave of optimism. Even if this vaccine is less effective (70% efficacy) than the other two (95% efficacy), it seems to be a far more practical solution from a logistical point of view, as it would be easier to distribute beyond the developed markets. The AstraZeneca vaccine only needs regular refrigerator temperature, whereas Pfizer and Moderna require special freezers (-70 degree Celsius) and ordinary freezers (-20 degree Celsius) respectively. Following encouraging trial results from Pfizer-BioNTech, Moderna and AstraZeneca, the FDA is likely to approve the Pfizer-BioNTech and Moderna vaccines in coming weeks with FDA Advisory Committee meetings on December 10 and possibly December 17 respectively.

Around 60-70% of the global population will need to be inoculated in order to fully break the link between the virus and economic activity. Given the scale (world population of 7.8 billion people) and the number of vaccines being developed requiring two doses (days between two doses ranging from 14-28 days), as well as the lack of global burden coordination, we may see mass vaccination globally occurring at a gradual pace, preventing a full normalization of mobility and cross-border flows. Looking more broadly, large shares of the population are likely to be vaccinated by late Q2 in all major developed markets.

Sentiment is being buoyed by two incrementally positive stories out from the United States. First, after weeks of delays, the US General Services Admission Administrator finally sent a letter to President-Elect Joe Biden, indicating that the agency is ready to make transition resources available to him and his team. News that Donald Trump seems ready to accept that the transition to Biden must begin was welcomed by the market. Adding to that President-Elect Joe Biden nominated former Federal Reserve Chair Janet Yellen to be the next US Treasury secretary. The relationship between Treasury and the Fed has been damaged and this move would help mend fences and improve coordination.

The Regional Comprehensive Economic Partnership (RCEP), the world's largest trade agreement, was signed on 15 November 2020. With its 15 members, it covers a market of 2.2 billion people and \$26.2 trillion worth of global output. This accounts for 30% of global population and economy. China, Japan and Korea, as the largest economies, are the biggest gainers from the RCEP in absolute USD terms. Japan and Korea are also the major beneficiaries amongst the 15 RCEP members as measured by the incremental % change in real income, followed by Malaysia, Vietnam and Thailand.

The US fired another salvo at Chinese corporates. This executive order targets Chinese firms with relationships with the military. The measure prohibits US investors from buying or selling shares of these companies.

On 10 November 2020, China's market regulator, the State Administration for Market Regulation (SAMR), released draft Anti-Monopoly Rules aimed at internet platforms. The new draft seeks to drive healthier competition in China's platform/digital economy, better alignment of interests among merchants, consumers and platforms, as well as to foster a long-term sustainable industry growth. It comes after regulators delayed the IPO of Ant Group.

The positive risk sentiment during the month also benefitted Asia USD bonds with tighter credit spreads. Asia investment grade bonds generated a return of 0.95%. Amongst the 31 Chinese firms mentioned in the US sanction list, 16 of them have outstanding USD bonds in the secondary market. However, their combined market weight is only about 3.7% of the universe.

MARKET OUTLOOK & STRATEGY

During the month, we took advantage of the market rally to crystalize profits in six of our bond holdings in the portfolio and reallocated some of the proceeds to equities.

In the equities space, we added to companies that were trading at attractive valuations where most were impacted by the Covid-19 situation. In particular, we added to telecommunication names in China and Indonesia, healthy banks in the Philippines, retail players with dominant leadership positions in Thailand, selected hospitality Singapore-listed companies, as well as large China SOE in the oil & gas space. We believe that these names have been beaten down significantly, and are deemed attractive at current levels. In terms of attribution, we saw positive value-add from the value names amid the rotation play in the month of November driven by positive vaccines news and Joe Biden winning the US presidential election. Specifically, from the financial sector, property names, travel and gaming-related companies. Value detractors were due to outflows from names which have done well over the past months, including the Chinese internet space and chips-related companies.

Vaccine from AstraZeneca and Oxford University not only can be stored in normal refrigerator, it also has a longer storage life of at least 6 months, allowing more time for distribution. This poses positive vaccine hopes to the emerging markets, where logistics and storage capabilities may be limited, and would help to sustain the rotation play into the underperforming emerging markets which are very lightly owned. Overall, we remain positive on Asia ex-Japan on prospects of growth uptick and within which, we added to ASEAN while remain positive for China in the medium term. 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.