

RHB EUROPEAN SELECT FUND

The Fund aims to achieve capital growth over the long-term* by investing in one target fund, i.e. the Threadneedle (Lux) - European Select Fund.

*Note: "long term" in this context refers to a period of between 5 - 7 years.

INVESTOR PROFILE

This Fund is suitable for investors who:

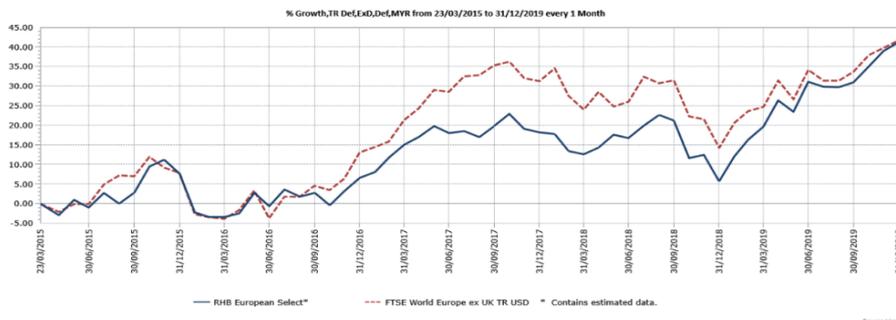
- are 'qualified investors' as defined in the Information Memorandum.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in units of Threadneedle European Select Fund.
- 2% to 5% of NAV: Investments in liquid assets including money market instruments and placements of cash.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	1.63	7.83	7.74	33.66
Benchmark	1.38	5.99	5.63	24.01

	1 Year	3 Years	Since Launch
Fund	33.66	32.50	41.22
Benchmark	24.01	25.30	41.68

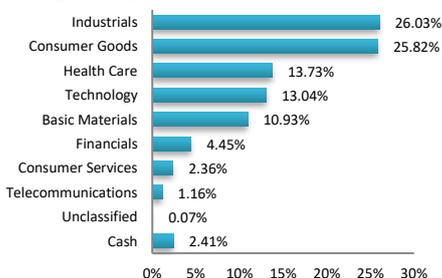
Calendar Year Performance (%)*

	2019	2018	2017	2016
Fund	33.66	-10.56	10.85	-0.97
Benchmark	24.01	-12.95	16.07	4.85

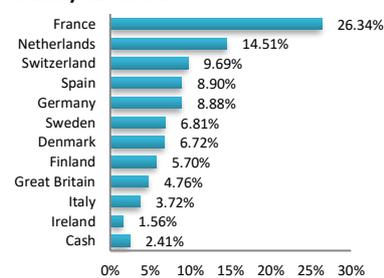
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

RELX PLC	4.76
PERNOD RICARD SA	4.61
L OREAL SA	4.20
AMADEUS IT GROUP SA CLASS A	4.06
DASSAULT SYSTEMES SA	4.03

*As percentage of NAV

*Source: Threadneedle, 31 December 2019. Exposure in Threadneedle European Select Fund - 96.93%

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.7162	0.7162	0.7162
Low	0.6816	0.5208	0.4517

Source: Lipper IM

FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd.
Trustee	TMF Trustee Malaysia Bhd
Fund Category	Feeder Fund
Fund Type	Growth (Wholesales Fund)
Launch Date	03 March 2015
Unit NAV	RM0.7061
Fund Size (million)	RM38.68
Units In Circulation (million)	54.78
Financial Year End	28 or 29 February
MER (as at 28 Feb 2019)	0.45%
Min. Initial Investment	RM20,000.00
Min. Additional Investment	RM10,000.00
Benchmark	FTSE World Europe ex UK (RM)
Sales Charge	Up to 5.50% of investment amount*
Redemption Charge	None
Annual Management Fee	Up to 1.80% p.a. of NAV*
Annual Trustee Fee	Up to 0.06% p.a. of NAV*
Switching Fee	RM25.00 per switch*
Redemption Period	Within 10 days after receipt the request to repurchase
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.

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MANAGER'S COMMENTS

SUMMARY

- European equities rounded the year off with further gains.
- The Target Fund outperformed its benchmark index on a gross basis.
- Key relative contributors included Inditex and Atlas Copco.
- The Target Fund Manager sold Schneider Electric and established a new holding in Roche.

MARKET BACKGROUND

European equities delivered further gains in December, capping a strong year. The underlying portfolio's benchmark index rose by 1.7% in euro terms, bringing the total gain for 2019 to 27.6%.

Hungary and Norway delivered the strongest returns during the month, while in sector terms, financials and energy were the best performers. Communication services and consumer staples were among the laggards.

US indices reached fresh record highs; an agreement with China on phase one of a trade deal is due to be signed in January 2020, while a key measure of global manufacturing activity returned to expansionary territory in November, sparking optimism.

The ruling Conservatives won a decisive victory in a UK general election, and MPs subsequently approved the prime minister's Brexit withdrawal deal. As a result, the country is set to leave the EU on 31 January 2020.

The wider European economic backdrop was unsettled. Data indicated that third-quarter GDP growth was subdued at 0.2% for the eurozone region, and German industrial output plunged in October. Protests in France against proposed pension reforms severely disrupted transport and public services. The US has threatened to levy tariffs on imported French products following France's imposition of a digital-services tax that mainly affects American companies such as Facebook

ACTIVITY

The Target Fund Manager opened a new position in Roche, a leader in cancer treatment, with a strong portfolio of drugs. The Target Fund Manager sold Schneider Electric; the stock's valuation was looking stretched following a period of good returns.

MARKET OUTLOOK

Loose monetary policy aims to stimulate economic growth and, if effective, this should revive corporate profitability. Weakness is mainly evident in European manufacturing; the consumer sector remains reasonably buoyant.

The UK election result makes Brexit likely, although terms have yet to be negotiated and there will be uncertainty while this takes place. In Spain, the new left-wing coalition is tenuous.

Tensions with Iran and over global trade are unhelpful but any positive resolution is likely to boost market sentiment. While global growth has been downgraded, fiscal stimulus in China is expected to help, and the US is likely to ensure recession is avoided in the run up to the 2020 elections.

The Target Fund Manager's main focus in managing this high-conviction portfolio is on stock selection. The Target Fund Manager seeks to identify high-quality companies with the pricing power to sustain strong returns.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 December 2019, the Volatility Factor (VF) for this fund is 10.7 and is classified as "High". (source: Lipper) "High" includes funds with VF that are above 8.8 but not more than 11.2 (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 2019 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 2019.

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 PHS and the contents of the Information Memorandum dated 3 March 2015 and its supplementary(ies) (if any) ("the Information Memorandum") before investing. The Information Memorandum has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. 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 "qualified 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.

The Manager wishes to highlight the specific risks for the Fund are market risk, currency risk, hedged share classes, effect of portfolio concentration and restrictive geographical market.

This 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.

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