

RHB ENTREPRENEUR FUND

The Fund aims to achieve long term capital appreciation through investments in securities of companies that possess entrepreneurial characteristics as determined by the Manager.

INVESTOR PROFILE

This Fund is suitable for Investors who:

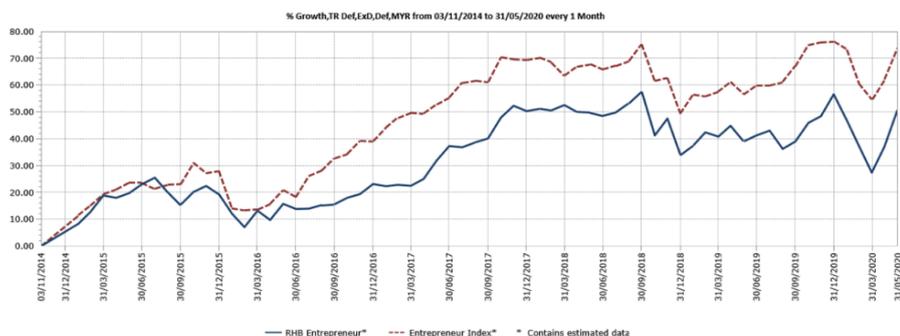
- wish to participate in the potential and investment opportunities of the Japan and Asian economies;
- wish to invest in companies which possess entrepreneurial characteristics; and
- are willing to accept high risk in their investments in order to achieve capital growth in the long term.

INVESTMENT STRATEGY

- 70% to 98% of NAV: Investments in securities of companies that are listed on the stock exchanges of Japan and other Asian markets.
- 2% to 5% of NAV: Investments in liquid assets including money market instruments and Deposits.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	9.96	9.59	1.52	-3.88
Benchmark	7.19	8.21	-1.24	-1.36

	1 Year	3 Years	5 Years	Since Launch
Fund	8.37	14.29	25.82	50.68
Benchmark	10.99	13.78	40.68	73.77

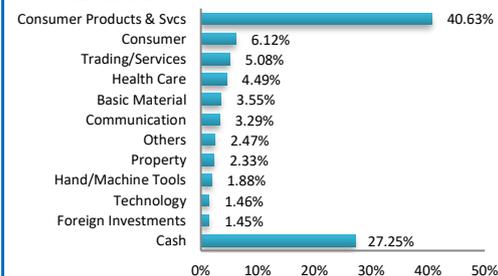
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	17.10	-10.93	22.08	3.41	15.25
Benchmark	18.04	-11.90	21.92	8.59	21.99

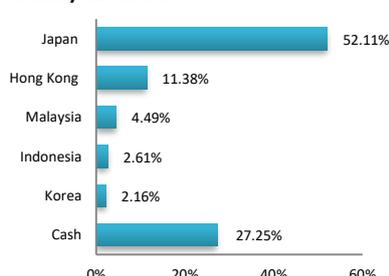
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

MCJ CO LTD	7.88
NITORI HOLDINGS CO LTD	7.65
RIDE ON EXPRESS HOLDINGS	6.66
SILVER LIFE CO LTD	6.33
TENCENT HOLDINGS LTD	6.12

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5476	0.5841	0.7345
Low	0.4980	0.4318	0.4318

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
29 Oct 2019	4.5000	8.11
25 Oct 2018	7.0000	10.48
26 Oct 2017	8.0000	13.47
31 Oct 2016	-	-
31 Oct 2015	-	-

Source: RHB Asset Management Sdn. Bhd.

RHB ENTREPRENEUR FUND

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MANAGER'S COMMENTS

MARKET REVIEW

Surprisingly, global equity market continued to march higher after a strong rebound in the month of April 2020. Global equities kept up the momentum in May 2020, rising 4.2% during the month of May 2020 (YTD: -9.9%), assisted by extremely accommodative fiscal and monetary policy, and gradual easing of lockdown measures, especially in Europe. Developed markets led the rally with US advancing +5.0%, Europe +4.2% and Japan +5.9%. Commodities bounced back led by energy prices (Brent: +39.8%). Asia ex-Japan was the only region to buck the uptrend in May 2020, falling 1.4% during the month (YTD: -12.6%), dragged down by Greater China (China: -0.8%, Hong Kong: -8.9%, Taiwan: -2.5%) and India (-2.9%). China relations with the West, especially the US, took a turn for the worse with the aggravation of the ADR de-listing risk, the proposal of the new national security law for Hong Kong that put its special status into jeopardy, and the potential imposition of compensatory tariffs on China by the US for the COVID-19 losses. ASEAN was buoyed by Thailand up 4.3% and Malaysia up 4.7%.

The TOPIX and the Nikkei Stock Average climbed 6.81% and 8.34% respectively over the month. Later in the month the Japanese government lifted the country's state of emergency, and prospects for a return to a normally functioning economy combined with fiscal and monetary stimulus buoyed markets further. Best performing sectors in Japan for May 2020 were pharmaceuticals, financials, and nonferrous metals. Worst performers amid fears of falling interest rates, meanwhile, included insurance, pulp & paper, and electric power & gas. Countries around the world are now beginning to relax restrictions put in place to slow the spread of COVID-19, and May saw some of the more oversold sectors bounce back to raise markets overall.

MARKET OUTLOOK AND STRATEGY

We expect Japanese markets to remain largely flat in coming months. The lifting of the state of emergency throughout Japan and the gradual unwinding of lockdowns in Europe and the US signal the beginnings of a return to some kind of normality. Massive fiscal and monetary stimulus packages from governments and central banks around the world should prop up the longer-term economy.

Markets have of late priced in a return to normal, but further waves of infection – whether close in Japan, or further afield in Europe or the US – could push investors back into a risk-off mood. On the other hand, while companies are increasingly putting off share buybacks, continued ETF purchases by the Bank of Japan should keep equity demand solid.

With the economy opening for business once again, we are slowly selling names that have benefitted under coronavirus restrictions, and added names that should now see a recovery in earnings. The portfolio consists of high-quality manufacturing names with good credit standings and market share, as well as domestic demand names that are less likely to be hit by a coronavirus demand slump, or that will benefit from cheaper raw materials. We will continue to select these kinds of idiosyncratic names, with relatively strong earnings visibility, for inclusion in the strategy. Going forwards we will be concentrating on names and sectors that will most benefit from business returning to normal, as well as those building on the new normal that COVID-19 has unlocked.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 May 2020, the Volatility Factor (VF) for this fund is 14.9 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are more than 14.9 (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 31 December 2019 which is calculated once every six months and is valid until its next calculation date, i.e. 30 June 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 PHS and the contents of the Master Prospectus dated 6 October 2017 and its supplementary(ies) (if any) ("the Master Prospectus") before investing. The Master Prospectus has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. This update does not amount to indicate that the SC has recommended or endorsed 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.

The manager wishes to highlight the specific risks of the Fund are particular security risk, regional risk, currency risk and country risk. These risks and other general risks are elaborated in the Master Prospectus.

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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