

### 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:

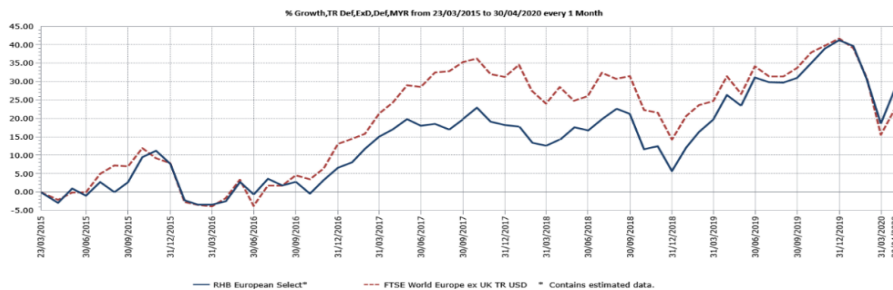
- are 'qualified investors' as defined in the Information Memorandum.

#### 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	7.71	-8.54	-5.41	-9.57
Benchmark	5.93	-11.96	-11.23	-13.60

	1 Year	3 Years	5 Years	Since Launch
Fund	1.08	9.13	31.57	27.70
Benchmark	-6.86	-1.53	25.04	22.41

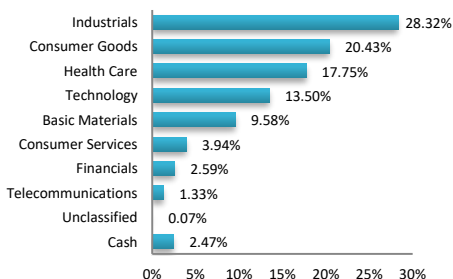
##### Calendar Year Performance (%)\*

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

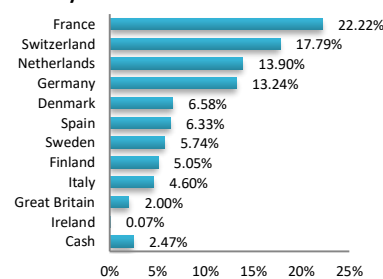
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



##### Top Holdings (%)\*

NESTLE S.A.	6.10
SAP SE	4.97
NOVO NORDISK A/S CLASS B	4.47
ROCHE HOLDING AG	4.18
WORLDLINE SA	4.08

\*As percentage of NAV

\*Source: Threadneedle, 30 April 2020. Exposure in Threadneedle European Select Fund - 96.65%

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6482	0.7329	0.7329
Low	0.5771	0.5226	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	RM0.6385
Fund Size (million)	RM28.72
Units In Circulation (million)	44.97
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 rallied in April.
- The Target Fund outperformed its benchmark index on a gross basis.
- Key relative contributors included Brenntag and Just Eat Takeaway.
- The zero weighting in Bayer was among the detractors.

#### MARKET BACKGROUND

European equities rebounded in April after steep declines in March. The portfolio's benchmark index returned 6.6% in euro terms, driven by optimism that the COVID-19 pandemic was past its peak, and by continued support from governments and central banks.

Some countries, such as China, eased virus-related containment measures, helping to revive economic activity. Still, the pandemic's effect on growth was stark. Data showed that GDP in leading economies fell sharply in the first quarter, feeding concern that the second quarter will see much larger declines. Many companies withdrew earnings guidance and cut dividends. Late in the month, Brent crude oil bounced from 20-year lows as tensions simmered between the US and Iran, and on news that OPEC and Russia had reached an agreement to cut supply.

Preliminary estimates showed that the US economy shrank by 1.2% in the first quarter compared to the last quarter of 2019, and the Federal Reserve unveiled a \$2.3 trillion loan package. In the eurozone, GDP was estimated to have fallen by 3.8% over the same period. Member states agreed a €500 billion economic support package, but remained split over proposals for joint issuance of bonds. Credit-rating agency Fitch lowered Italy's sovereign rating to just above 'junk' status, citing COVID-19's economic impact. UK retail sales plunged at the swiftest pace on record in March, when a nationwide lockdown took effect. Meanwhile, the government insisted that the year-end deadline for reaching a post-Brexit trade deal with the EU remains in effect, despite the pandemic.

In a reversal of March's trends, technology, materials and consumer discretionary powered ahead, while healthcare stocks continued to benefit from investor interest amid the search for coronavirus vaccines, tests and treatments.

#### ACTIVITY

The Target Fund Manager added to several existing holdings during the month. Sales included Kerry; the firm's food-service division is likely to come under pressure given the lockdowns.

#### MARKET OUTLOOK

Coronavirus and its effects continue to dominate sentiment. As new infections and fatalities fall in most European countries under lockdown, conditions are being slowly relaxed with some businesses reopening. Progress is nervous and slow, while international travel is still almost non-existent and will be severely restricted for some time. The US and Russia are suffering worse and later than some.

The search for an effective vaccination is in progress. Fiscal and monetary policy aim to stimulate economic growth and, if effective, this should stabilise economies and corporate profitability once the lockdowns end. However, previously fragile business models may now prove unsustainable; this will impact small businesses and therefore employment in the hospitality and travel sectors particularly.

Brexit is underway, although negotiations have been delayed owing to the virus and have now become more of a sideshow. The Spanish and Italian coalitions are surviving but Merkel and her succession plan are under some pressure. The US is keen to minimise the recession in the run-up to the 2020 elections, and President Trump's rhetoric on China (relating to trade and the origins of COVID-19) reflect electoral considerations.

The Target Fund Manager 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 April 2020, the Volatility Factor (VF) for this fund is 12.6 and is classified as "High". (source: Lipper) "High" includes funds with VF that are above 8.8 but not more than 11.1 (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 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. 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 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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