

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:

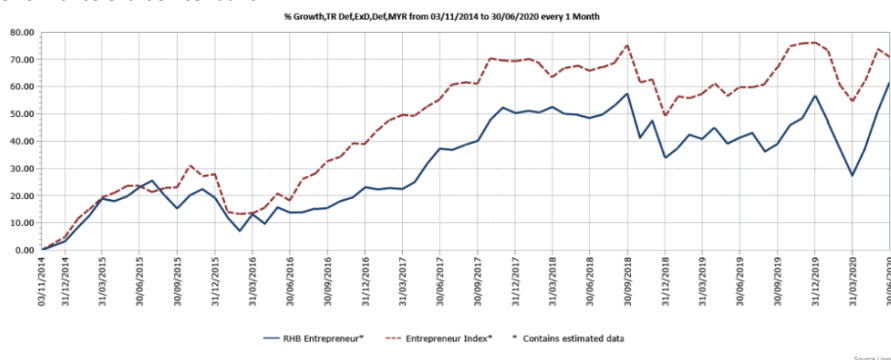
- wish to participate in the potential and investment opportunities of the Japan and Asian economies;
- wish to invest in companies which possess entrepreneurial characteristics; and
- are willing to accept high risk in their investments in order to achieve capital growth in the long term.

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	7.27	26.87	3.11	3.11
Benchmark	-1.76	10.42	-3.10	-3.10

	1 Year	3 Years	5 Years	Since Launch
Fund	14.43	17.76	31.32	61.63
Benchmark	6.76	9.95	38.13	70.71

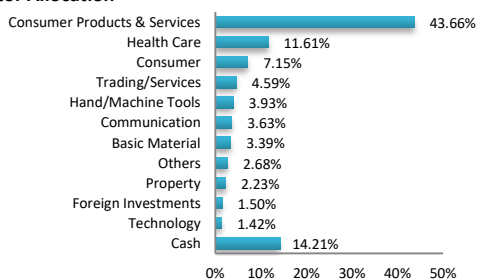
Calendar Year Performance (%)*

	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

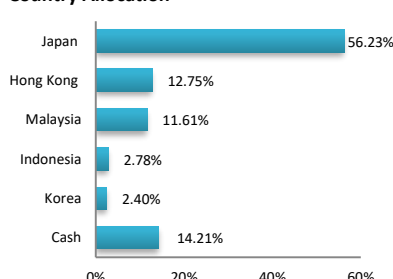
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

RIDE ON EXPRESS HOLDINGS CO LTD	9.76
NITORI HOLDINGS CO LTD	7.95
MCJ CO LTD	7.73
SUPERMAX CORP BHD	7.58
TENCENT HOLDINGS LTD	7.15

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5874	0.5874	0.7345
Low	0.5381	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.

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MANAGER'S COMMENTS

MARKET REVIEW

A surge in new cases, especially across large tracts of the US, has raised the spectre of a second wave of COVID-19 infections. This looming threat, coupled with an equity market that had largely shrugged off the epidemic, weighed on sentiment towards the end of June 2020. US equity market advanced 2.1% during the month to finish its best quarter (2Q: 21.2%) in 35 years. Europe rose 3.9% in June 2020, Australia 6.8%, while Japan (-0.1%) stayed flat. Asia ex-Japan was up 7.9% in June 2020 (2Q: 15.8%, YTD: -5.7%). Tech-heavy countries, Taiwan and Korea (up 7.8%) reflected the sharp rebound in semiconductor trade, while India rose 6.7%. Subpar performance by Singapore (3.5%), Thailand (2.1%) and Malaysia (2.5%) weighed on ASEAN (3.7%).

TOPIX fell 0.31% over the month, while the Nikkei Stock Average climbed 1.88%. Japanese equity markets rose at the beginning of June 2020, with investors becoming somewhat less risk averse thanks to better than expected US employment figures and the expansion of the ECB's quantitative easing program. US retail figures for May 2020 beat expectations as the country returned to business, but markets continued to drop as the IMF cut their global economic growth forecast, and surging coronavirus case numbers in Texas and California cast a shadow on prospects for a fast economic recovery.

In Japan, among June's best performing sectors were information & communication, electric appliances, and other products while worst performers were mining, land transportation, and air transportation, amid concerns over a possible second wave of COVID-19 infections.

MARKET OUTLOOK AND STRATEGY

In the absence of positive news, the equity market is likely to be volatile in the short term and will be driven by macro-economic data and geopolitical tensions. Rising US-China trade friction, the increase in the coronavirus cases in US and EU will be the main focus in charting the direction of the equity performance besides the news of the vaccines. Although, both the drop in manufacturing and export will have an implication on Malaysia's overall economy which expected to experience recession in 2020. We are of the opinion that the worst of the economy and equity market are behind us already.

The equity market is expected to be in favour due to the expectations of prolong low inflation and low interest rate environment. The gradual recovery in the economy will also support the equity market going forward as investors are pricing in lower risks.

We expect Japanese markets to remain largely unchanged in July 2020. Economic activity in the country is now returning to normal, and markets have risen accordingly. Many retail sector names posted highly favourable earnings in June 2020, and assuming the current momentum can be sustained in a solid economic recovery, markets should hold firm. There has been a new spike in infections in the greater Tokyo area, however, and this could keep a lid on the upside going forwards. Other countries are seeing signs of a second wave, and a return to lockdowns and other restrictions could push markets down. Upcoming corporate earnings in Japan releases for the April to June quarter will show the impact of Japan's state of emergency and how this restricted economic activity. We may see falling stock prices in names releasing worse-than-expected results if it turns out valuations have become overheated on false hopes.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 June 2020, the Volatility Factor (VF) for this fund is 15.6 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are more than 15.2 (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 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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