

### 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:

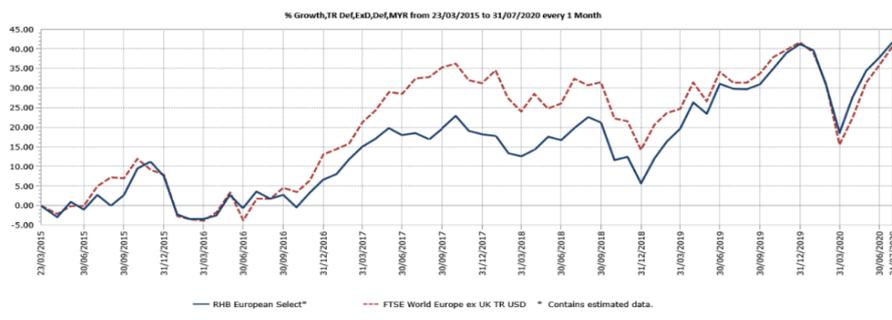
- are 'qualified investors' as defined in the Information Memorandum.

#### 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	2.87	10.99	1.52	0.37
Benchmark	3.60	14.90	1.16	-0.73

	1 Year	3 Years	5 Years	Since Launch
Fund	9.18	19.61	37.99	41.74
Benchmark	7.06	6.18	34.01	40.65

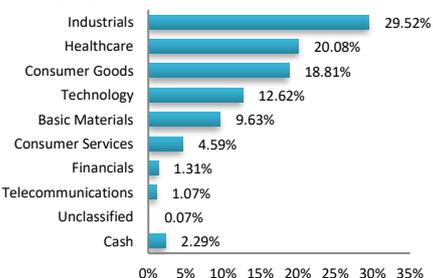
##### Calendar Year Performance (%)\*

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

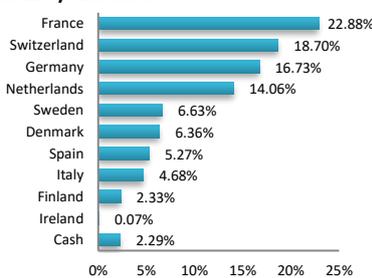
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



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

NESTLE SA-REG	6.05
SAP SE	5.32
WORLDLINE SA	4.93
BRENNTAG AG	4.51
KONINKLIJKE PHILIPS NV	4.25

\*As percentage of NAV

\*Source: Threadneedle, 31 July 2020. Exposure in Threadneedle European Select Fund - 93.33%

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.7291	0.7329	0.7329
Low	0.6889	0.5226	0.4517

Source: Lipper IM

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### MANAGER'S COMMENTS

#### SUMMARY

- European equities dipped in July.
- Key relative contributors included Brenntag and Lonza.
- Worldline was among the detractors.

#### MARKET BACKGROUND

European markets dipped in July, following a strong rebound; the Target Fund's benchmark index fell by 0.6% in euro terms over the month. In sector terms, utilities, materials and consumer staples were the strongest performers, while energy and healthcare were weak.

Some indicators suggested that economies were recovering from the blow inflicted by the COVID-19 pandemic. However, coronavirus cases remained high in the US, and progress elsewhere was interrupted as sporadic outbreaks flared again, sparking concern that the pandemic might re-intensify, and threaten global growth.

In Continental Europe, sentiment received a boost as EU countries reached agreement on a €750bn pandemic recovery fund, to be financed by joint borrowing for the first time ever. But here again, the extent of the economic damage from COVID-19 was laid bare as initial figures showed that eurozone GDP slumped 12.1% in the second quarter versus the first; Spain was impacted particularly badly, registering a drop of 18.5%.

More positively, a preliminary composite gauge of services and manufacturing activity in the eurozone hit a 25-month high in July, and indicated a return to growth in both sectors.

#### ACTIVITY

The Target Fund Manager made a number of minor adjustments to stock weightings over the month.

#### MARKET OUTLOOK

COVID-19 dominates sentiment. Infections and fatalities are ticking up in some European countries, so talk of a second wave limits the relaxation of lockdowns and travel restrictions. But while progress is nervous and slow, the news in the US (and in Hong Kong and India) is much worse and has political implications in an election year.

The search for tests and vaccinations continues to progress. Fiscal and monetary policy aim to stimulate growth and, if effective, should stabilise economies and corporate profitability once lockdowns end. However, previously fragile business models will prove unsustainable, impacting some small businesses and employment in the hospitality and travel sectors.

The Brexit transition period is underway: negotiations have been fraught and slow, but more of a sideshow. The Spanish and Italian coalitions are surviving although Germany's Chancellor Merkel and her succession plan are under some pressure. The US is riven by turmoil following George Floyd's death in Minneapolis which, combined with criticism over the handling of the virus, has compromised President Trump's chances of re-election.

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 14 July 2020, the Volatility Factor (VF) for this fund is 13.5 and is classified as "High". (source: Lipper) "High" includes funds with VF that are above 12.8 but not more than 15.4 (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 2020 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 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 contents of the PHS and Information Memorandum dated 3 March 2015 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 Prospectus 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 "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. If in any doubt, consult your banker, lawyer, stockbroker or an independent financial adviser.

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 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.

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