

### 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:

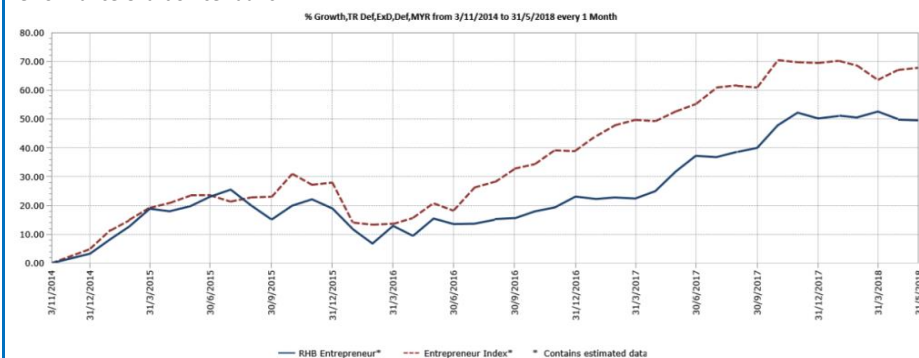
- wish to participate in the potential and investment opportunities of the Japan and Asian economies;
- wish to invest in companies which possess entrepreneurial characteristics; and
- are willing to accept high risk in their investments in order to achieve capital growth in the long term.

#### 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	-0.16	-0.57	-1.75	-0.45
Benchmark	0.46	-0.47	-1.17	-1.02

	1 Year	3 Years	Since Launch
Fund	13.50	24.94	49.63
Benchmark	9.79	35.75	67.68

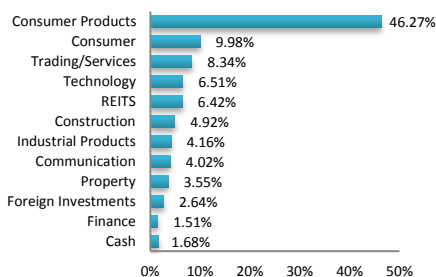
##### Calendar Year Performance (%)\*

	2017	2016	2015
Fund	22.08	3.41	15.25
Benchmark	21.92	8.59	21.99

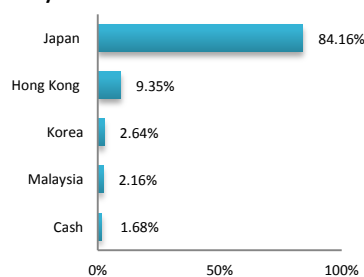
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



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

OBIC CO LTD	6.51
SHINOKEN GROUP CO LTD	6.42
MCJ CO LTD	6.12
TOSHO CO LTD	5.21
YAOKO CO LTD	5.00

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6765	0.7345	0.7345
Low	0.6609	0.6314	0.4942

Source: Lipper IM

##### Historical Distributions (Last 3 Years) (Net)

	Distribution (sen)	Yield (%)
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

Global equities (-0.2%) ended the month of May 2018 flat, dragging YTD returns to -0.8%. Developed market were mostly down with Europe falling 4.0% and Japan 1.1%, as investors responded with a risk-off stance to a host of factors that include the expectations of a growth slowdown outside the US, the political uncertainty in Italy and Turkey, the renewal of sanctions on Iran and the currency crisis in Argentina. The rally in crude oil (Brent: +4.6%) continued in the first half of May but rolled over later on, as the reversal of prior supply cuts came back into consideration.

Asia Ex Japan equities lost 1.6% in May 2018, dragging YTD returns to -0.6%. China added 1.5% on the basis of the positive impact from the inclusion of A-shares in the MSCI benchmark indices. India (-3.7%) was adversely impacted by foreign outflows as overseas investors worried about the impact of higher oil prices as well as the results of the Karnataka state elections. Korea (-5.2%) had a tumultuous month, as the prospects of the North Korea-US Summit see-sawed. Malaysia (-8.3%) fell prey to foreign outflows on concerns of fiscal discipline following the historic victory of Tun Mahathir Mohamad in the general elections. Indonesia (-1.9%) conducted two rate hikes to arrest the slide in the Rupiah (-2.3% YTD), while the Philippines (-4.9%) hiked once.

Japan's industrial production grew by 0.3% mom in Apr 2018, continuing its downward trend since Feb 2018 and missing market estimations of a 1.2% increase. Retail sales in Apr 2018 grew by 1.6% yoy, higher than market estimation and previous month's reading of 1%. Similarly, exports expanded by 7.8% yoy, way higher than 2.1% yoy in the preceding month, however missing market expectations of 8.1% yoy. Meanwhile, inbound shipments rebounded by 5.9% yoy from a contraction of 0.6% in Mar 2018 which signals steady economic and investment activities in the nearest future. In addition, manufacturing PMI remains above expansionary level at 52.5 points.

#### MARKET OUTLOOK AND STRATEGY

The dollar's recent strengthening against the euro has raised nervousness about emerging markets (EM). A stronger dollar and higher US yields would of course impose pain on EM asset prices, but we do not think EM is primed for any kind of major crisis. That view is reinforced by the fact that EM currencies are not especially expensive by historic standards. While we don't see huge financial vulnerability in EM, a strong dollar will push growth risks to the downside and inflation risks to the upside

Japanese growth is forecast to slow from 1.7% in 2017 to 1.3% in 2018, as inflation more than doubles to 1.2% owing to higher oil prices. We expect a change to yield curve control in Q4 this year in the form of a 10bps increase in the target yield for 10 year JGBs from zero. Looking ahead, we expect industrial production to improve on the back of upbeat momentum in global demand. Nevertheless, Trump's protectionism moves remain a concern to Japan particularly for its automotive industry as Trump recently decided to probe into imports of automobiles, including trucks and automotive parts which could lead to implementation of tariffs. Japan is one of the largest car exporters to US as it accounts for approximately 40% of US vehicle imports.

#### DISCLAIMER:

Based on the fund's portfolio returns as at 15 May 2018, the Volatility Factor (VF) for this fund is 10.3 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are more than 10.6 (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 2017 which is calculated once every six months and is valid until its next calculation date, i.e. 30 June 2018.

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. 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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