

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 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:

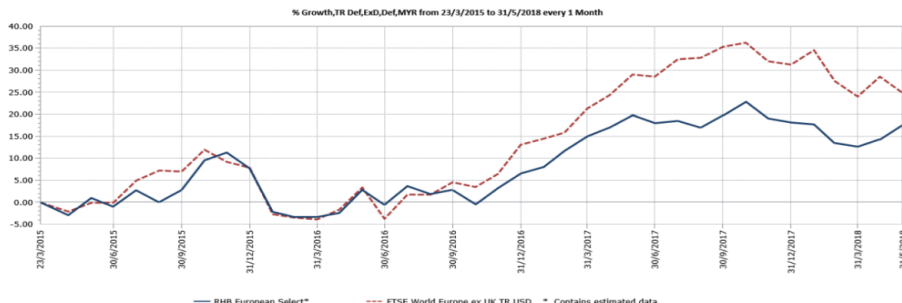
- are 'qualified investors' as defined in the Information Memorandum.

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	2.92	3.72	-1.19	-0.44
Benchmark	-2.91	-2.14	-5.48	-4.93

	1 Year	3 Years	Since Launch
Fund	-1.80	16.50	17.62
Benchmark	-3.27	24.93	24.77

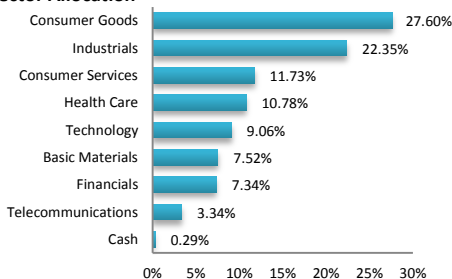
Calendar Year Performance (%)*

	2017	2016
Fund	10.85	-0.97
Benchmark	16.07	4.85

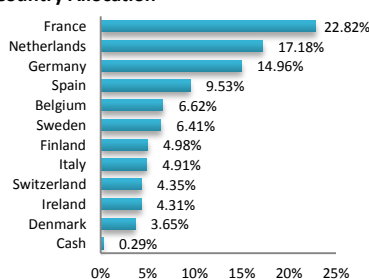
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

UNILEVER NV CERT. OF SHS	5.44
RELX NV	5.08
DASSAULT SYSTEMES SA	4.97
PERNOD RICARD SA	4.67
ADIDAS AG	4.21

*As percentage of NAV

*Source: Threadneedle, 31 May 2018. Exposure in Threadneedle European Select Fund - 97.62%

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5935	0.6188	0.6188
Low	0.5701	0.5512	0.4517

Source: Lipper IM

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MANAGER'S COMMENTS**MARKET BACKGROUND**

The Target Fund portfolio's benchmark index fell by 0.9% in euros and sterling during May.

Merger and acquisition activity gathered pace in a variety of sectors including media and finance, and energy stocks were bolstered by continued strength in oil prices. However, markets were hit when the US announced that aluminium and steel imports from the European Union would be subject to tariffs, cancelling an earlier reprieve.

Stocks also came under pressure late in the month from rising political risk in the eurozone. After many weeks of fractious negotiations, Italy's leading populist parties (Five Star and Lega) eventually agreed a coalition deal, and appointed academics Giuseppe Conte and Giovanni Tria as prime minister and finance minister respectively. There could be interesting times ahead as these parties challenge the EU on immigration, a basic income for the poor, and tax reductions which would stretch state finances. Spanish politics were eventful too, and on 1 June Prime Minister Rajoy lost a vote of confidence; he was succeeded by Pedro Sanchez, leader of the socialist PSOE party.

Eurozone GDP growth for the first quarter of 2018 dipped to 0.4% from 0.7% in the previous quarter. In the UK, the Bank of England reduced its full-year GDP growth forecast to 1.4%, and further interest rate rises have been put on hold for the time being.

Within the Target Fund portfolio's benchmark index, Ukraine, Portugal and Ireland delivered the best relative returns. Greece, Hungary, Turkey and Italy were the main laggards. Technology and materials led the outperforming sectors; financials and telecoms were weak.

MARKET OUTLOOK

European equities are benefiting from encouraging corporate profitability, a supportive economic backdrop in the eurozone, and a resurgence in M&A activity; they are also cheap relative to US equities. Market volatility presents us with investment opportunities.

It will take time before the full effects of Brexit, new governments in Spain and Italy, and Catalonia's bid for independence become clear. Other risks include heightened tensions with Russia and the US.

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:

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. 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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