

Date: 6 October 2017

## **RHB ENTREPRENEUR FUND**

### **RESPONSIBILITY STATEMENT**

This Product Highlights Sheet has been reviewed and approved by the directors of RHB Asset Management Sdn Bhd ("RHBAM") and they have collectively and individually accepted full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in the Product Highlights Sheet false or misleading.

### **STATEMENT OF DISCLAIMER**

The Securities Commission Malaysia has authorised the issuance of RHB Entrepreneur Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the RHB Entrepreneur Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the RHB Entrepreneur Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of RHBAM responsible for the RHB Entrepreneur Fund and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

This Product Highlights Sheet only highlights the key features and risks of RHB Entrepreneur Fund. Investors are advised to request, read and understand the Disclosure Documents before deciding to invest.

## PRODUCT HIGHLIGHTS SHEET

### RHB ENTREPRENEUR FUND

<b>Name of Fund</b>	RHB Entrepreneur Fund ("Fund").
<b>Manager</b>	RHB Asset Management Sdn Bhd.
<b>Trustee</b>	TMF Trustees Malaysia Berhad.
<b>Investment Adviser</b>	Tokio Marine Asset Management International Pte Ltd.
<b>Fund Category</b>	Equity fund.
<b>Commencement Date</b>	14 October 2014.
<b>Financial Year End</b>	31 October.

#### PRODUCT SUITABILITY

This Fund is suitable for investors who:

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

\*Note: "long term" in this context refers to a period of between 5 - 7 years.

#### KEY PRODUCT FEATURES

##### INVESTMENT OBJECTIVE

The Fund aims to achieve long term\* capital appreciation through investments in securities of companies that possess entrepreneurial characteristics as determined by the Manager.

\*Note: "long term" in this context refers to a period of between 5 - 7 years.

##### INVESTMENT STRATEGY

This Fund seeks to achieve its objective through investments in a portfolio of securities issued by companies listed in Japan, and other Asian countries such as Hong Kong, China, South Korea, Taiwan, Indonesia, Thailand, Malaysia, Singapore and Philippines. The Fund's portfolio will consist of at least 50% of investments in securities of companies listed in Japan.

The Manager will identify a universe of companies that the Manager believes to possess entrepreneurial management characteristics. The Manager regards stock selection as the source of investment returns that contributes to the outperformance of the Fund's returns against its benchmark and will make its investment decisions based on the "bottom-up approach" emphasizing research and analysis on each individual company. The Fund's investments in such companies are not industry or sector specific. This would accord the Fund a range of investment opportunities identified by the Manager as having entrepreneurial features based on company fundamentals. The Fund will invest in securities of companies which have entrepreneurial characteristics as determined by the Manager. In making such a determination, the Manager will look at the companies which have:

- family involvement with at least 5% equity ownership by the family; and
- corporate governance.

For its qualitative analysis of a company, the Manager will focus on the management's display of leadership qualities and initiatives. The Manager will evaluate the management's capability of the company in terms of its pursuance of long term (generally refers to 5 to 7 years) shareholders' returns, consistency of management philosophy and timely and swift decision making.

The Manager will in its quantitative screenings, look at factors such as:

- the company's valuation;
- the company's growth potential;
- the company's financial soundness; and
- the company's financial indicators such as liquidity and credit criteria.

The Fund's portfolio will be structured as follows:

70% to 98% of Net Asset Value - Investments in securities of companies that are listed on the stock exchanges of Japan and other Asian markets.

2% to 5% of Net Asset Value - Investments in liquid assets including money market instruments and deposits.

Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities.

The risk management strategies and techniques employed by the Manager include diversification of the Fund's investments in terms of its exposure to various industries, sectors and asset classes/ type of investments (i.e. equity and money market instruments). Financial derivatives may also be used for hedging purposes where appropriate. Generally, the assets of the Fund will be invested over a medium to long term period\*\* with disposal of the investments when necessary to control risk as well as to optimize capital gains. This is especially so when the full growth potential of an investment is deemed to have been reduced over a prolonged rise in equity value and other available

equity investments with entrepreneurial characteristics may present cheaper valuations and better performance potential. The Fund also complies with the permitted investments and restrictions imposed by the Securities Commission. Adherence to the permitted investments and restrictions also helps the Manager to risk-manage the Fund's portfolio in terms of diversification. Moreover, the Manager in making its investment decisions shall at all times comply with the investment restrictions of the Fund and requirements as set out in the Deed.

\*\* medium to long term period here refers to a period of between 3 to 7 years.

For investments in Japan and other Asian countries, the Manager in managing the principal risks such as country risk and currency risk will always take into consideration its evaluation of the historical developments and its prior experience in such countries. Investments in Japan and other Asian countries will be actively managed with constant review of the economic and political developments of the countries in which the Fund is invested in. The Manager has engaged an investment adviser, Tokio Marine Asset Management International Pte Ltd, who will provide stock recommendations in relation to the Fund's investments in companies in Japan. Investments will ultimately be made based on risk-reward profiles.

The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy in attempting to respond to adverse economic, political or any other market conditions. In such circumstances, the Manager may reallocate up to 100% of the Fund's equity investments into other asset classes such as fixed income instruments, money market instruments and deposits, which are defensive in nature.

#### BENCHMARK

With effect from 6 October 2017, the Fund's performance benchmark was changed to the Tokyo Stock Price Index (TOPIX). The benchmark chosen best represents the Fund's investments in terms of geographic al location.

The risk profile of the Fund is different from the risk profile of the benchmark.

Note: Prior to 6 October 2017, the Fund's performance benchmark was MSCI AC Asia Index (MXAS Index) (RM).

#### DISTRIBUTION

Distribution Policy	Consistent with the Fund's objective which aims to achieve capital growth over the long term, distributions will therefore be of secondary importance. Distributions, if any, after deduction of taxation and expenses will be reinvested.
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Distribution Mode	Distribution, if any, after deduction of taxation and expenses (i.e. net distribution), will be reinvested to purchase additional units based on the Net Asset Value per unit as at the first Business Day when units are quoted entitlement. Allotment of such units shall be within two (2) weeks thereafter.
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#### KEY RISKS

Particular security risk	The fluctuation in the performance of any equity in which the Fund invests in will affect the price of units. Not all companies issuing such equities are successful. The success or failure of the companies will cause the value of its equity to rise or fall. Valued collectively, the performance of individual equity comprising the Fund's portfolio will cause the unit price to rise or fall accordingly.
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Regional risk	As this Fund's investments will focus on equities issued by companies listed in Asian countries, it may be subject to a higher level of risk than an equities portfolio which is not restricted to a particular geographical region / market. Thus, there is a risk that the Fund will perform poorly during an economic downturn or in the event of adverse news affecting the said region / market.
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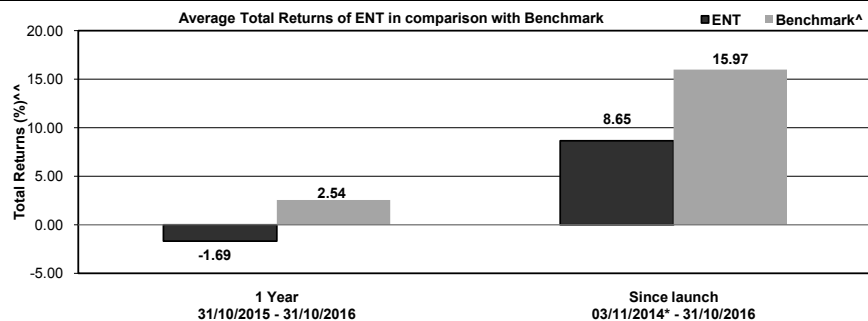
Currency risk	The Fund is exposed to currency risk. Fluctuation in foreign exchange rates will affect the value of the Fund's foreign investments when converted into the base currency of the Fund i.e. RM and subsequently the value of Unit Holders' investments.
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Country Risk	In addition to currency risk, the Fund is also subject to country risk, for example the value of the assets of the Fund may be affected by the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund may invest in. Further, there are countries which may require prior approvals before investments can be made in such countries. For example, if and when the Fund invests in countries such as China, Taiwan, South Korea and India, such countries require the application of an investment licence or registration of an investor code before investments can be made in these countries. As such, if investments in such countries are undertaken, there may be a risk that such registration or licence may be revoked or not renewed by the relevant authority and the Fund's investments in these countries may be affected. The effect on the Fund's investments will depend on the regulatory requirements of the respective countries. For example, if a country requires the Fund to obtain an investment licence which is subject to renewal and if such investment licence is not renewed in a timely manner, this may result in the Fund's investment account in that country being frozen by the regulator resulting in investment activities for the Fund in that country being suspended. To mitigate this, the Manager will monitor closely the adherence of investment regulatory requirements in such countries.
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## FUND PERFORMANCE

This Fund has been in operation since 14 October 2014 and the Fund's financial year end is 31 October. Effective 6 October 2017, the Fund's performance benchmark was changed to the Tokyo Stock Price Index (TOPIX) to reflect the Fund's investments in terms of geographical location. Prior to 6 October 2017, the Fund's performance benchmark was MSCI AC Asia Index (MXAS Index) (RM). The Fund's performance below are in reference to the previous benchmark of the Fund [i.e. MSCI AC Asia Index (MXAS Index) (RM)].

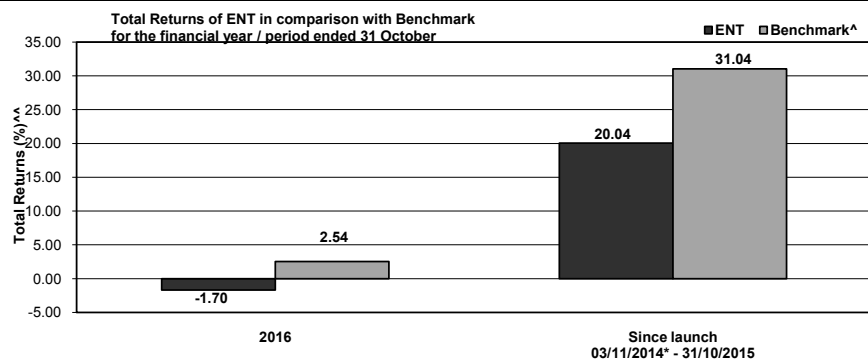
### AVERAGE TOTAL RETURNS OF THE FUND



Source: Lipper IM. \* Being the last day of the Fund's initial offer period. ^ The benchmark of the Fund for the performance periods ended 31 October 2016 is MSCI AC Asia Index (MXAS Index) (RM). ^^ The abovementioned Fund performance is computed based on Net Asset Value to Net Asset Value basis and has been adjusted to reflect distributions and unit splits, if any and are annualised.

Since launch, the Fund recorded an annualised return of 8.65% compared to its benchmark which recorded an annualised return of 15.97%. The Fund has yet to meet its objective of achieving long term capital appreciation.

### ANNUAL TOTAL RETURNS OF THE FUND



Source: Lipper IM. \* Being the last day of the Fund's initial offer period. ^ The benchmark of the Fund for the financial year / period ended 31 October 2015 and 31 October 2016 is MSCI AC Asia Index (MXAS Index) (RM). ^^ The abovementioned Fund performance is computed based on Net Asset Value to Net Asset Value basis and has been adjusted to reflect distributions and unit splits, if any.

For the latest financial year, the Fund registered a loss of 1.70%\* as compared to the benchmark gain of 2.54%.

### PORTFOLIO TURNOVER RATIO

Portfolio Turnover Ratio ("PTR")	Financial Year Ended 31 October	
	2016	2015
	0.43 times	1.41 times

The PTR for the financial year was lower compared with the previous financial year due to lesser investment activities during the financial year under review.

## ASSET ALLOCATION

As at the latest financial year end (i.e. 31 October 2016), the Fund was 100.22% invested in equities with -0.22% in liquid assets and other net current liabilities.

	As at 31/10/2016 %	As at 31/10/2015 %
<b>Equities</b>		
Communication	13.81	7.77
Construction	3.03	-
Consumer Products	46.23	39.03
Energy	7.15	-
Finance	5.96	3.93
Property	3.45	-
Technology	6.81	9.99
Trading/Services	13.78	18.08
	100.22	78.80
<b>Liquid Assets and Other Net Current (Liabilities) / Assets</b>	(0.22)*	21.20
	<b>100.00</b>	<b>100.00</b>

The asset allocation was reflective of the Manager's stance to risk manage its portfolio in an environment of volatile markets.

\* The excess over 100% is mainly attributable to hedging with forward contract, which has yet to mature as at 31 October 2016.

## DISTRIBUTION RECORD

	Financial Year Ended 31 October	
	2016	2015
Gross distribution per unit (sen)	-	-
Net distribution per unit (sen)	-	-

During the latest financial year, no distribution has been proposed by the Fund.

**PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.**

## FEES & CHARGES

*This table describes the charges that you may directly incur when you buy or redeem units of this Fund:*

Charges	
<b>Sales charge<sup>1</sup> by distribution channels</b>	
Institutional Unit Trust Adviser (IUTA)	Up to 5.50% of investment amount.
Tied (Retail) Agent	Up to 5.50% of investment amount.
Direct Sales (Direct Investment with the Manager)	Up to 5.50% of investment amount.
An investor can expect differing sales charge to be levied when buying units from the various distribution channels and within each distribution channel, subject to the maximum sales charge stipulated herein. This is due to the different levels of services provided by each distribution channel and/or the size of the investment undertaken.	
<b>Repurchase charge</b>	None.
<b>Dilution fee or transaction cost factor</b>	None.
<b>Other charges payable directly by the investors</b>	
Switching fee <sup>1</sup>	RM25.00 per switch or the difference in sales charge which is deductible from the redemption amount of the units to be switched, where applicable.
Transfer fee <sup>1</sup>	RM5.00 per transfer.

*This table describes the fees that you may indirectly incur when you invest in the Fund:*

Fees and Expenses	
Annual management fee <sup>1</sup>	1.80% per annum of Net Asset Value before deducting the Manager's and Trustee's fees for that particular day.
Annual trustee fee <sup>1</sup>	Up to 0.06% per annum of Net Asset Value before deducting the Manager's and Trustee's fees for that particular day (excluding foreign custodian fee and charges).
Expenses directly related to the Fund	Auditors' fees and other relevant professional fees, foreign custodial charges, cost of distribution of interim and annual reports, tax certificates, reinvestment statements and other notices to Unit Holders, commissions or fees paid to brokers, transaction costs and taxes.
Other fees payable indirectly by an investor (if any)	None.

<sup>1</sup>The implementation of GST is effective from 1 April 2015 at the rate of 6% and the fee and charges payable are exclusive of GST.

**Note:** The Manager may, for any reason at any time, waive or reduce the amount of its management fee or other charges directly payable by the Unit Holder and/or investor in respect of the Fund, either generally (for all Unit Holders and/or investors) or specifically (for any particular Unit Holder and/or investor) and for any period or periods of time at its absolute discretion.

### TRANSACTION INFORMATION

Minimum Initial Investment	RM1,000 or such other lower amount as the Manager may from time to time accept.
Minimum Additional Investment	RM100 or such other lower amount as the Manager may from time to time accept.
Minimum Repurchase Units	Any number of units.
Restriction on Frequency of Repurchase	No restrictions.
Minimum Investment Balance	100 units or such other lower quantity as the Manager may from time to time decide.
Switching Facility and Frequency of Switching	<ul style="list-style-type: none"> <li>▪ Available.</li> <li>▪ Minimum amount for a switch is RM1,000.</li> <li>▪ There are no restrictions as to the number of switches a Unit Holder may perform or the frequency of switching.</li> <li>▪ Minimum investment balance at all times must be one hundred (100) units after the switch.</li> </ul>
Transfer Facility	Available. In the event of a partial transfer, both the transferor and the transferee must each hold a minimum investment balance of one hundred (100) units after the transfer.
Redemption Period	Redemption monies to be paid within ten (10) days after receipt by the Manager of the request to repurchase.
Cooling-off Period	Unit Holders have the right to request for a refund of their investment within six (6) business days <sup>#</sup> which shall be effective from the date of receipt of the application by the Manager, subject to eligibility. <sup>#</sup> These are the working days when the Manager is open for business.
Dealing Hours	9:00 a.m. to 4:00 p.m. (Malaysia time) on any Business Day or such later time as the Manager may determine provided always that complete applications for the Fund are received before the next valuation point.

**YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT.**

### VALUATIONS AND EXITING FROM INVESTMENT

#### VALUATION OF ASSETS

The Fund must be valued at least once every Business Day. However, certain foreign markets in which the Fund may invest in have different time zones from that of Malaysia. Accordingly, the valuation of the Fund for a Business Day will be conducted by 5.00 p.m. on the following day in which the Manager is open for business, when the closing price of the foreign markets for that Business Day should be available.

As such, the daily price of the Fund for a particular Business Day will not be published in the major newspapers on the next day but will instead be published the next following day (i.e. the price will be two (2) days old). This will be specifically indicated in the major newspapers. Investors may obtain the most current computed price by contacting the Manager directly or by visiting our website, [www.rhbgroup.com](http://www.rhbgroup.com).

#### EXITING FROM THIS INVESTMENT

Units of the Fund can be redeemed by forwarding the completed form of request to repurchase to the Manager's registered/principal office or any of its branch offices, or to any of its authorized sales agents or participating IUTAs before their respective cut-off times. For partial redemption, the balance of units after the redemption must be at least one hundred (100) units or such other lower quantity as the Manager may from time to time decide (the "minimum investment balance"). There are no restrictions on the number of units a Unit Holder can redeem out of his investments or the frequency of redemptions in a year. However, the Manager shall not be bound to comply with any request for redemption of units if the balance of units held after the redemption is less than the minimum investment balance.

The redemption monies will be paid within ten (10) days after receipt by the Manager of the request to repurchase.

### CONTACT INFORMATION

To contact the Manager or to find out about the distribution channels of the Fund, you may call us at 1-800-88-3175 at any time during office hours: Mondays through Fridays from 9.00 a.m. – 5.00 p.m. or e-mail your enquiries to [rham@rhbgroup.com](mailto:rham@rhbgroup.com).

#### HOW DO YOU LODGE A COMPLAINT?

1. For internal dispute resolution, you may contact:

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|--|---|
| (a) via phone to                                   | : 03-9205 8000  |
| (b) via Unit Holders Services Toll-Free Hotline at | : 1-800-88-3175   |
| (c) via fax to                                     | : 03-9205 8100  |
| (d) via e-mail to                                  | : <a href="mailto:rham@rhbgroup.com">rham@rhbgroup.com</a>  |
| (e) via website at                                 | : <a href="http://www.rhbgroup.com">www.rhbgroup.com</a>  |
| (f) via letter to                                  | : RHB Asset Management Sdn Bhd<br>Level 8, Tower 2 & 3<br>RHB Centre, Jalan Tun Razak<br>50400 Kuala Lumpur |

2. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industry Dispute Resolution Center (SIDREC):
- (a) via phone to : 03-2282 2280
  - (b) via fax to : 03-2282 3855
  - (c) via e-mail to : **info@sidrec.com.my**
  - (d) via letter to : Securities Industry Dispute Resolution Center (SIDREC)  
Unit A-9-1, Level 9, Tower A  
Menara UOA Bangsar  
No. 5, Jalan Bangsar Utama 1  
59000 Kuala Lumpur
3. You can also direct your complaint to the Securities Commission Malaysia ("SC") even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Investor Affairs & Complaints Department:
- (a) via phone to the Aduan Hotline at : 03-6204 8999
  - (b) via fax to : 03-6204 8991
  - (c) via e-mail to : **aduan@seccom.com.my**
  - (d) via online complaint form available at : **www.sc.com.my**
  - (e) via letter to : Consumer & Investor Office  
Securities Commission Malaysia  
No 3 Persiaran Bukit Kiara  
Bukit Kiara  
50490 Kuala Lumpur
4. Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:
- (a) via phone to : 03-2092 3800
  - (b) via fax to : 03-2093 2700
  - (c) via e-mail to : **complaints@fimm.com.my**
  - (d) via online complaint form available at : **www.fimm.com.my**
  - (e) via letter to : Legal, Secretarial & Regulatory Affairs  
Federation of Investment Managers Malaysia  
19-06-1, 6<sup>th</sup> Floor Wisma Tune  
No. 19 Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur

## GLOSSARY

Business Day	A day (other than Saturdays, Sundays and public holidays) on which Bursa Malaysia is open for trading or banks in Kuala Lumpur are open for business; and the markets in which at least 50% of the Fund's net asset value (in aggregate) invested therein, are also open for trading.
Disclosure Documents	The Fund's prevailing prospectus and its supplementary(ies) (if any).
Fund	RHB Entrepreneur Fund ("ENT").
GST	Goods and services tax.
Net Asset Value (NAV)	The net asset value of the Fund is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at the valuation point.
RM or Ringgit Malaysia	The lawful currency of Malaysia.
Unit Holder(s)	The person(s) for the time being registered under the provisions of the deed as the holder(s) of units of the Fund and person(s) jointly so registered.