

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:

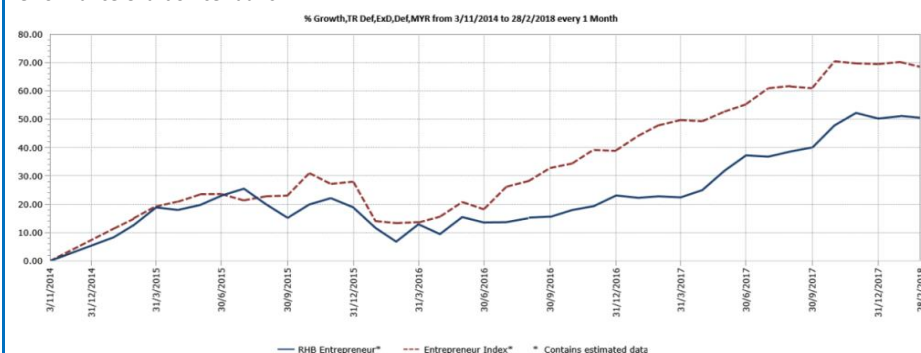
- wish to participate in the potential and investment opportunities of the Japan and Asian economies;
- wish to invest in companies which possess entrepreneurial characteristics; and
- are willing to accept high risk in their investments in order to achieve capital growth in the long term.

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	-0.45	-1.19	8.56	0.12
Benchmark	-1.00	-0.71	4.24	-0.56

	1 Year	3 Years	Since Launch
Fund	22.53	33.53	50.49
Benchmark	13.97	46.55	68.46

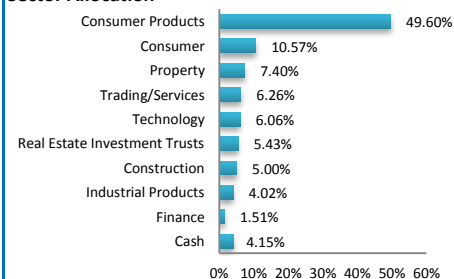
Calendar Year Performance (%)*

	2017	2016	2015
Fund	22.08	3.41	15.25
Benchmark	21.92	8.59	21.99

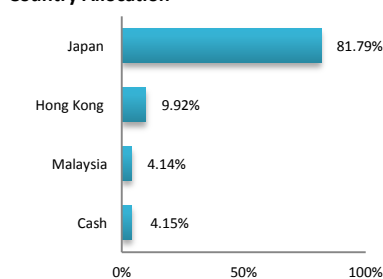
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

OBIC CO LTD	6.06
SHINOKEN GROUP CO LTD	5.43
RESORT TRUST INC	5.32
ADASTRIA CO LTD	5.32
PARAMOUNT BED HOLDINGS	5.17

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6759	0.7345	0.7345
Low	0.6314	0.5996	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.

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MANAGER'S COMMENTS

MARKET REVIEW

In February, the TOPIX fell 3.7% and the Nikkei 225 fell 4.5%, both declining for the first time in six months. Japanese share prices saw sharp movements in February 2018. At the beginning of the month, Japanese share prices fell in reaction to the yen's upswing against the dollar and concerns over the prospect of US interest rates rising more rapidly. In the second half of the month, Japanese equities made up some of the ground lost in the first half amid an easing in the rise in US interest rates and a halt to yen appreciation against the dollar. However, Japanese shares fell back again as the bullish stance on the economy signaled by new Fed chair Jerome Powell in his inaugural congressional testimony on 27 February reignited concerns that US interest rate hikes might pick up in pace. During the month of Feb 18, RHB Entrepreneur Fund declined by 0.45% while the benchmark was down 2.41%. Year to date, the fund was up slightly by 0.12% versus the benchmark of negative 0.88%.

Meanwhile, Asia Ex Japan underperformed the developed markets. The slump in Asia Ex Japan equities (-5.0%) in February 2018 were led by China (-6.4%), India (-6.9%) and Korea (-6.6%). China, despite giving up half of its gains from the last month in February 2018, is still up 5.3% YTD. Noticeably, state-backed investment funds refrained from providing support, given the global nature of the selloff. India was the laggard as the global selloff was compounded by a massive fraud in the banking sector as well as the introduction of a long-term capital gains tax in the 2018-19 Budget. Taiwan (-3.0%) seems to be having the worst monthly outflows (USD3.5bn) from foreign investors since June-2013. ASEAN (-1.5%), which underperformed in 2017, fared relatively better.

MARKET OUTLOOK AND STRATEGY

We believe the Japanese stock market will remain unstable due to fluctuations in interest rates and equity markets in the US, as well as forex trends, and global political and geopolitical risks. Overseas investors were net buyers of Japanese equities in the first week of January, but became substantial net sellers in the second week, which proved the main reason for the February decline in the Japanese stocks.

While sudden increases in the VIX volatility index can generally be traced back to specific geopolitical risks or financial instability, no definitive reason could be seen for this recent volatility. If this is simply a case of investors squaring their positions, we would expect a quick recovery in the market. If, however, this is in anticipation of a sea-change in financial markets supported by excess liquidity from quantitative easing, market corrections may take longer.

We did not shift Japan allocation despite the current market volatility. In fact, global investors are still overweight Japan. Investors still perceived that Japanese equity is undervalued on relative terms. The Japanese market exhibited sensitivity to global risk sentiment in the recent sell-off. We believe that global interests will return to Japan once the market stabilized and JPY weakens. Hence, the fund continued to overweight Japan market.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 February 2018, the Volatility Factor (VF) for this fund is 10.7 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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